THE CHINA WEEKLY REVIEW

密勒氏評論報

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March 8, 1941

Dr. Currie's Trip to Chungking Arouses Widespread Speculation in Orient

Chiang Calls on Nation

City Faces Coal Crisis

BY JOHN AHLERS

Democracies Pay Again

China's Red Cross Workers Carry on in Face of Tremendous Difficulties

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NEW YORK BUFFALO LONDON

What People Are Saying

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of *The China Weekly Review*.

NEW FOURTH ARMY

To the Editor:

I regetted to read the letter entitled "New Fourth Army" in your February 15 issue. The "Group of Chinese" are right in some points but I was indignant to read, "Therefore we feel that this question is not of military discipline, but an indication of "anti-communist 'pro-Japanese' intrigue". What do they mean by saying this? Is Gen. Chiang a pro-Japanese person? Again we read "only die-hard traitors will take armed action against the N.F.A." Is Gen. Ku Tsu-tung a die-hard traitor?

Perhaps the "Group of Chinese" have not heard what the communists have done for the last two years and are doing now in the occupied areas in the North China. Aside from pillaging the people of what they have there, the communists bury alive the Central Government soldiers when captured while the Japanese may be spared for "training into a communist." I myself have seen it done and everyone from the North may tell you so. I should like to put this before the "Patriotic Group of Chinese" (with names unattached, however), when they again mention the words "traitors", "anti-communists", etc.

ALSO A CHINESE

Chengchow, February 24, 1941.

"MERITORIOUS?"

To the Editor:

In your February 15 issue was published correspondence to the effect that it was an ill-considered measure for the Chinese Government to disband the "meritorious" New Fourth Army, instead of rewarding them. But there are several points which I fail to understand.

The first is that the local vernacular pressmen have really overdone their part in expressing their version concerning the incident," while correspondents also have delivered themselves of opinion regarding it. I do not agree that the press cannot criticize events as the ordinary people are able to do.

"Fanchang and Tungling are strongly fortified by the Japanese; to transfer the N. F. A. to these two places means sending them to death", stated the article. But we know that the army before being disbanded occupied the triangle position between Shanghai, Nanking and Hangchow, and these strategic points are far more strongly fortified than the two cities referred to. The order therefore means rescuing them from death rather than sending them to death. Furthermore, sacrifice is the essential spirit of any army. Were the N. F. A. truly valiant and to be reckoned with, it would have gone wherever our high command ordered.

Lastly, it should have been impossible for an obedient and patriotic army to clash with the General Troops, for obedience means no armed resistance to those in authority. If the N. F. A. had kept their declaration—obedience to the High Command and avoiding their original political views, why should the Chinese Military Affairs Commission have to disband them? No parents will kill their own children who grow up to be nice.

I am a Chinese Middle School Student, and I love our country as much as those correspondents who worte in your February 15 issue. It is better to believe in our National Government at all costs, for that Government, our good parent, is working out a comprehensive scheme towards final victory. Absolute obedience to and unanimous support of our National Government is, beyond doubt, the responsibility of all Chinese people and will certainly help in bringing about our final victory.

ANTHONY E. W. TSU

Shanghai, March 1, 1941.

INTRIGUE ALLEGED

To the Editor:

Recently, we found among newspapers in our school a copy of a pamphlet describing the "facts" about the disorganization of the New Fourth Army. This copy probably was distributed by some radical students. As we always read **The China Weekly Review**, we are glad to send the copy to you for your consideration.

During the national defense war, we students in Shanghai were surprised and disheartened by the disorganization of the New Fourth Army which in our opinion, may lead to serious consequences.

The N.F.A. has won great fame down the Yangtsze River. Many people from there spoke highly of how they had fought the Japanese under extremely difficult circumstances. Their achievements were honored by the people and not unusually were accomplished with the help of the people.

We, therefore, hardly believe the Chungking Government's claim is not to be doubted. We are afraid that, under the pretext of army "discipline" the Government is intriguing to annihilate the Communist Party and to give up resistance in the new future. However, we, Chinese people, persist in resistance against the enemy by uniting the whole country and people for its own benefit.

We hope and insist that this case must be settled justly and fairly, avoiding any possible clash between the two parties and the complete dissolution of the united front. Only through the cooperation of these two great parties can we drive the enemy out of our fatherland and build a New China based on the Three People's Principle.

GROUP OF CHINESE STUDENTS

Shanghai, Feb. 28, 1941.

(Continued on Page 2)

THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"

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MAGNA CARTA: A MODERN APPRAISAL.

To the Editor:

It's too bad that "W.B." has decided to conclude his informed commentary on Magna Carta and no doubt many readers will be disappointed.

Much as I would like to continue chasing your reviewer around the mulberry bush on the hundred and one irrelevant subjects which he has dragged across the main issue I will trespass as little as possible on your hospitality and confine myself to quoting H. L. Morton's opinion of the part played by this law in the general development of English History and leave your readers to decide for themselves whether this historian's viewpoint involves an "attitude" alien to their own or merely indicates historical accuracy:

"This was a real attempt to create machinery that would make it unnecessary to resort to an open revolt that could only succeed under such unique circumstances as those of 1215, or, at the worst, to ensure that a revolt would begin in a way as favorable as possible for the barons. This particular device did not work very well, but it did open a new avenue along which the barons could conduct a political struggle as a class rather than as individuals. It also prepared the way for the entry of new classes on to the political field."

"It led to the development of Parliament as the instrument through which first the nobles and afterwards the bourgeoisie defended their interests."

"Its subsequent history is curious and falls into three chapters. As feudalism declined it ceased to have any clear practical application and passed out of memory. The Tudor bourgeoisie were too closely allied to the monarchy to wish to place any check upon it, while the power of the nobles was broken in the Wars of Roses. Shakespeare, writing his play **King John** never mentions Magna Carta and quite possibly had never heard of it."

"When the bourgeoisie entered their revolutionary period under the Stuarts the Charter was rediscovered, and, being framed in technical feudal language, was completely misinterpreted and used as a basis for the claims of Parliament. This view of the Charter as the cornerstone of democratic rights persisted through the greater part of the Nineteenth Century. It is only within the last fifty or sixty years that historians have examined it critically as a feudal document and discovered its real meaning and importance."

"Just because it marked the highest point of feudal development and expressed most precisely the nature of feudal class relations, Magna Carta marks also the passing of society beyond those relations. It is both a culmination and a point of departure. In securing the Charter the barons won their greatest victory but only at the price of acting in a way which was not strictly feudal, of forming new kinds of combinations both among themselves and with other classes."

"BOW BELLS"

Shanghai, March 3, 1941.

AMERICAN STOCK AND COMMODITY QUOTATIONS

March 5, 1941

STOCKS

Amer. Locomotive	12¾
Amer. Waterworks	5½
Anaconda Copper	23⅞
Bethlehem Steel	76½
Chrysler	64⅝
Elec. Bond & Sh.	3⅛
Gen. Motors	42⅛
Goodyear T. & R.	17¾
Gt. Nthrn. Rly., pfd.	23¾
Lockheed Aircraft	23⅜
Mont. Ward	36⅞
N. Y. Central	12½
Texas Corp	35⅛
U. S. Steel	56⅞

COMMODITIES

New York Cotton, Mar.	10.44/45
New York Rubber, May	21.06/08
New York Hides, June	13.41/41
Chicago Wheat, May	82⅝/82¼
Chicago Corn, May	61¼/61¼
New York Sugar, No. 4, Mar.	0.75B/75½A

B—Bid. A—Asked.

EVACUATION PROBLEM

To the Editor:

In a recent issue of the China Weekly Review, I took notice of a letter from Mr. Earl H. Leaf entitled "Evacuation Urged".

With all due respect to the warnings and advice to leave Japan and occupied areas of China, I beg to disagree with his suggestion, that by not evacuating, we may be hamstringing the U. S. Government's policy in the Far East.

If we are called to Government service, we expect to do our duty as American citizens, but many believe that they are not any less American if they decide to continue residence in China with their families.

I spoke to an American friend several weeks ago, and asked him, "What are you going to do about evacuation?" He replied: "Nothing! I intend to stay. If the Government wants me to evacuate, it must furnish transportation for myself and family. Also they must guarantee something for us to live on."

Suppose the family of this particular American citizen is not American, and cannot be registered as such at the American Consulate-General. Naturally this man will remain with his family, and there are many others like him, who feel that they might as well take their chances here in Shanghai—whether it results in internment, persecution or what, rather then abandon their families to starve by leaving.

Remember Shanghai has a large population of nationalities other than those who are urged to evacuate.

Regardless of how many Americans evacuate, there will still be large numbers of people in Shanghai—and what about the Chinese? Why should our authorities be afraid to act in any given situation merely because of real or imagined danger to the civil population? Of course we should never hamstring our Government's action deliberately and should not take unnecessary risks. There have been murders and rapings in China. Of course this may not happen to Americans. The Japanese are in a position to carry out their barbarous acts on American citizens as they have done with the Chinese.

In case of war with Japan, those who are in a position to serve their Government, specially all young people, and women and children, should return to America. In case of persons who have been in China for many years and have their families and life-work here, it seems to me it should be up to the individual to choose whether to evacuate or not. What he does cannot in any manner hamstring our Government.

Also it should be remembered there are large numbers of Japanese in the same position.

Americans, who are in no position to leave on their own account will not be forgotten in the event of war. They will be taken care of in some way. Therefore Americans who wish to follow their consciences should be permitted to do so.

I wish to make it clear that I favor, along with most Americans in China, especially those in occupied areas, a strong American policy in the Far East. As individuals we desire to do our duty, but if it is left up to us as individuals, specially on matters that may concern our family ties and friends, then we must make the decision as to our duty. If a tree has reached a certain growth, it may be impossible to uproot it and plant it elsewhere.

L. A.

Shanghai, March 2, 1941.

NATIONAL CITY BANK OF NEW YORK EXCHANGE RATES

Shanghai Rate of Exchange, during February 28—March 6, 1941

	Fri.	Sat.	Mon.	Tue.	Wed.	Thur.
Demand Selling rate on N.Y. ... ... U.S.$1.	=Sh.$17.98	=Sh.$17.98	=Sh.$17.98	=Sh.$18.39	=Sh.$18.39	=Sh.$18.39
Demand Buying rate on N.Y. ... ... U.S.$1.	=Sh.$17.58	=Sh.$17.58	=Sh.$17.58	=Sh.$17.98	=Sh.$17.98	=Sh.$17.98
Demand Selling rate on London ... £1-0-0	=Sh.$70.46	=Sh.$70.46	=Sh.$70.46	=Sh.$71.77	=Sh.$71.77	=Sh.$71.77
Demand Buying rate on London ... £1-0-0	=Sh.$68.57	=Sh.$68.57	=Sh.$68.57	=Sh.$69.82	=Sh.$69.82	=Sh.$69.82

HONGKONG & SHANGHAI BANKING CORPORATION

Selling rate during February 28—March 6, 1941

Shanghai $100. equals Yen	23⅜	23⅜	23⅜	23⅛	23⅛	23⅛
Shanghai $100. equals Guilders	10⅜	10⅜	10⅜	10⅛	10⅛	10⅛
Shanghai $100. equals Rupees	18⅞	18⅞	18⅞	18⅝	18½	18½
Shanghai $100. equals Pesos	11⅛	11⅛	11⅛	10⅞	10⅞	10⅞
Shanghai $100. equals Hongkong $	22⅝	22⅝	22⅝	22⅜	22¼	22¼

THE CHINA WEEKLY REVIEW
密勒氏評論報

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DEMOCRACIES AGAIN PAY PRICE OF APPEASEMENT TO AGGRESSION

ON two sides of the globe last week the curtain was rung up on another act of world war tragedy. Once again the theme was the utter hopelessness of appeasement to Axis aggression; once again the settings were the ravished lands of humbled nations. In the Far East, French Indo-China was but staving off complete capitulation to the arbitration of Japan on Thailand's claims, and in the storm-tossed Balkans Bulgaria finally broke down under Nazi pressure and accepted a German invasion to "protect" her from the sinister clutches of Britain. In all their aspects the two acts of aggression ran true to Japanese and Nazi pattern, but there was also this grave significance in their almost simultaneous execution, that for the first time since Japan entered into a military alliance with the Reich, the Asian end of the Axis has benefitted by German diversionist cooperation in Europe. Manifestly Germany will expect the favor to be returned at the first opportune moment and in the face of last week's developments that moment must be regarded as near—perhaps perilously near; also manifestly, should Japan be called on to discharge her obligation, she can only do so by acting as required by Germany in the Far East. Accepting the cession of large areas by Indo-China as a *fait accompli* for Japan rather than Thailand, it becomes obvious that action by Japan aimed at embarrassing Britain on Germany's behalf may be launched either at Malaya or Burma, selection of the target depending doubtless on what may now eventuate in Europe.

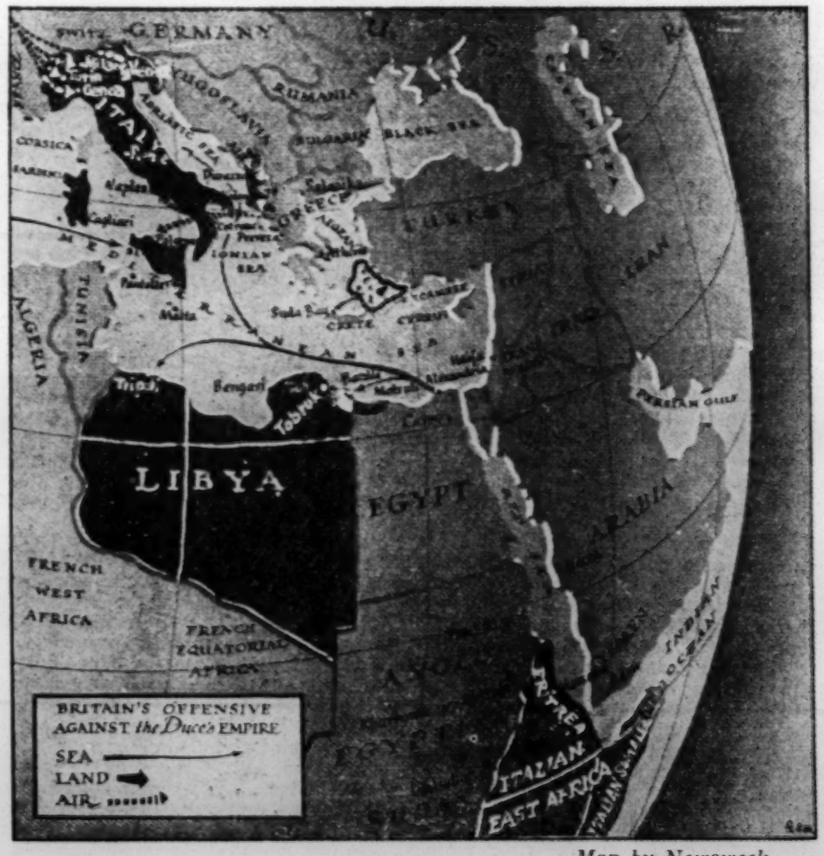
The importance of the bearing of European developments on the Far Eastern situation at this moment can not be underestimated. So long as Hitler is able to maintain, or rather recover, the initiative there, Britain will be in no position to give even temporarily undivided attention to the Far East. To a lesser extent this axiom applies also to the United States, although it should be pointed out that America will be called on to face the Axis threat in the Atlantic only if Britain can be subdued.

Whether Germany has recovered the initiative by her attack (it was that) on Bulgaria, therefore must be considered, and on the face of fact her purpose has been achieved.

Then sum of Germany's success in Bulgaria can be assessed at this moment only by British and Allied reaction to the Nazis' military invasion of yet another Balkan country. When Rumania last year was "protected" by her incorporation into the Axis bloc, British and American observers were unanimous in their opinion that it was an empty victory for Hitler outside of its domestic significance. Rumania, distressed by internal strife, fell an easy victim—indeed a ready one, to the Nazi leader's necessity of the moment, which was to supply his followers with something other than the failure of the *Luftwaffe blitzkrieg* against Britain to think about. Rumania was far removed from the theater of war. Bulgaria's border lapped on Greece, wherefrom the dignity of the Italian member of the Axis was being put to ridicule by a handful of outnumbered but gallant Greek troops, allied by treaty with the British.

The leisurely course of negotiations between Britain and Rumania following the adherance of the latter country to the Axis was abruptly substituted in the case of Bulgaria, while U.S. opinion, which saw in Rumania's capitulation no great success for Berlin, regarded the Nazi invasion of Bulgaria as a certain threat to Greece. German troops began to enter Bulgaria (officially) on Monday. On Wednesday Mr. George Rendel, British Minister in Sofia, informed the United States Minister, Mr. George Earle, that Britain was severing diplomatic relations with Bulgaria immediately. Simultaneously Polish, Dutch and Belgian missions, according to a *Domei* report, decided also to sever relations and leave Sofia immediately for Istanbul. The Greek Minister, the message added, however, would remain in Sofia for at least the next few days, probably in an eleventh hour effort to

Where Hitler Struck Again



Map by Newsweek

Bulgaria's strategic position in the Balkan war theater is shown in the above map. By the terms of her adhesion to the Axis last week, Bulgaria now must permit the entry and passage of German troops presumably attacking Greece, and by so doing, she will be liable to aerial attack by Britain and Greece.

prevent the inevitable clash between Greece and Italy, Germany and Britain, over Greek and Bulgarian soil.

J. W. T. Mason, New York Correspondent of the *United Press*, summarized American opinion on Germany's most recent maneuvers in the Balkans. He said they clearly indicated that "Chancellor Adolph Hitler is employing a first rate brand of power politics in an effort to scare Greece into talking peace with Italy" Bulgaria's adherance to the Axis and the massing of German troops in the Balkan area no doubt must have been cause for anxiety among the Greeks. . . . A fresh attempt probably would be made shortly to try to persuade the Greeks to agree to peace. At least two such attempts had been made previously. "The Germans may believe that a Premier who is a banker, as is Gen. Metaxas' successor, might be more open to peace offers than a soldier—though such a conclusion must not be regarded as a certainty." It was not unlikely Mason believed, that the future of Greece might be determined by more aid from Great Britain or the United States. This opinion is not such a truism as it might first appear.

Reuter's military commentator writing from London on March 6 More or less confirmed Mason's view that the Nazi occupation of Bulgaria was offensive. This correspondent believed that the Germans might occupy the Black Sea ports of Varna and Constanza as a preliminary to the commission of submarines against probably Turkish, and possibly Russian shipping. Bridges thrown across the Danube at Giugiu, he said, would pave the way to an advance on the Shipka Pass towards Adrionople against the Turks. Other forces might cross the Danube 100 miles to the west in a drive down the Struma Valley and against the Greeks in Salonika. It was certain, of course, that the Allies would oppose any of these possible actions, but their efforts must be confined to the air, and Britain's air force, even though practically totally released from the African campaign, was scarcely sufficient to wage an aerial battle with Germany and Italy on two fronts. The prospect must be faced, therefore, of Greece being compelled to submit—to sue for peace with a foe against which she has already proven herself more than worthy.

Should Greece be compelled to surrender, Hitler will have taken the whole of southern Europe under his Axis control, lacking only Portugal in fact but not necessarily theory. Russia, however, for the first time since the signing of the Moscow-Berlin military agreement in 1939, has expressed open displeasure at an Axis act, and it is yet possible that her displeasure might be translated into action if only for the purpose of protecting her Dards anelles exit from the Black Sea. Germany has gained an ally in Bulgaria, but Moscow made it quite patent last week that she had lost a friend in Russia. On the outcome of Germany's ability to handle Russia and Britain at the same time, without being compelled to retreat from Bulgaria depends the course of Japan's action in the Far East.

Japan already has laid the foundations for "intervention" in Burma, entry to which she has accused the British of permitting Chinese troops under the terms of a fabulous Anglo-Chinese military agreement. Japan does not particularly desire possession of all Burma, but she does desire command of the southern tip of the British Colony overlooking the proposed Kra Canal, which, as Mr. Ernest Hauser points out elsewhere in this issue would deprive Singapore of her virtual monopoly on European shipping to the Far East. An embattled Britain beset after a Greek surrender would be in no position to defend either Burma or Singapore, the world's greatest naval base—the latter would have to be left in the care of the United States. It seems by this theory that in the event of the Greeks being compelled to sue for terms with the Axis, Japan will first tackle Burma in her southward drive . . , which would be no repayment of the debt she owes Germany.

Russian intervention, or a military setback for the Axis in the Balkans, would create an entirely different situation in the Far East. Japan would then be called on to supply diversionist activities of a major nature, probably involving an attack on Malaya. The militarists in Tokyo long have been prepared to undertake such an attack, and to drive even further south. Whether or not the United States would be prepared to defend Malaya in such a case at present must be regarded as extremely doubtful. While it is true that the U.S. fleet is in the Pacific, there is a group of isolationists in Washington who would move Heaven and earth to prevent America going to war before war is brought to her shores. The odds against Japan hitting and getting away with it are not so long as it might be thought, and with facilities now made available in Indo-China for an attack on either Singapore or Burma, she must be willing to take the chance she has so long sought.

Japanese reports of Chinese troops entering the Shan state of Burma, and the conclusion of an Anglo-Chinese military agreement were branded as "nonsense" by Sir Archibald Clark Kerr, the British Ambassador to China when he arrived in Shanghai from Chungking on Tuesday.

Philippines Defense Needs Studied by House

Defense appropriation requests for the U.S. Army and Navy preparations in the Philippines were heard by the House Appropriations Committee last week as military officials in Washington asked to have ammunition depots and airfield improvements included in the recent requests for further fortification of Guam and Samoa.

Naval officials asked to use US$1,600,000 for the construction of an ammunition depot at Marveles, Philippines, which has long been under contemplation. US$132,000 was also asked for repairs and improvements of air and naval stations at Cavite and Olangapo. The War Department asked for US$500,000 for hard-surfaced run-ways for the Army air stations there. Other requests included US$305,000 for the stationing of two new pursuit squadrons and for repair and improvement on posts.

The requests followed immediately the passage by an overwhelming majority on February 26 in the House of Representatives of the appropriation of US$122,802,883 for naval shore fortifications extending to Hawaii. Before the Appropriations Committee is through, it is expected that the entire chain of defense positions from San Diego to the Philippines will be boosted toward extensive activity.

Fullest support by the Committee was given the plans for immediate use of US$4,700,000 on improvement of Guam's defenses, strategic danger-spot only 1,500 miles south of Japan and centered among a "hive" of Japanese Mandated Islands. Samoa likewise received significant attention among the appropriations, since it has become strategic as a guardian of the American air route to Australia.

Senator Guy M. Gillette, Democrat of Iowa, when asked if he had heard the Guam project might have repercussions in the Far East, replied, according to a *United Press* report.

"I don't give a damn—you can quote me on that."

Indications of the seriousness with which other officials look upon the need of defense measures in the Philippines, various committees are said to be studying the care of civil population in the event of attack, including food, shelter, and fire problems, according to a United Press statement Sunday. It was suggested that all or part of the US$50,000,000 sugar excise tax refunds and gold revaluations due the Philippines be used for the population's defense plans.

Serious Situation Faces Local Industry Over Coal Shortage

The Municipal Council gave notice on Tuesday that in view of the shortage of coal in Shanghai, referred to by John Ahlers in this issue of *The China Weekly Review*, and the difficulty of obtaining a sufficient supply, the Council had agreed that no further applications for power services should be accepted by the Shanghai Power Company until further notice.

This includes bulk supply and small power, either for new installations or for additions to existing installations. Prior to this announcement, Chinese and Japanese cotton mills had begun reducing their working staff by from 20 to 50 per cent of their present strength, as a result of the proposal to curtail power supply to local industry, industrial circles reported yesterday.

Although no other decision has yet been made by the Shanghai Municipal Council on the power curtailment petition of the Shanghai Power Company, said a report in the *China Press*, industrial circles believed some further reduction would be made in view of the critical fuel situotion here.

Industrialists, meanwhile, viewed with considerable concern the power curtailment proposal and predicted that bitter labor-capital disputes would follow in view of the fact that the proposal would inevitably result in further straining the relations between employees and employers.

Much Speculation Regarding Results of Dr. Currie's Trip to Chungking

DR. Lauchlin Currie, who was sent to China by President Roosevelt on Feb. 7 to investigate economic conditions, completed his work within the scheduled three weeks and returned to the United States by Clipper plane last Monday. He was accompanied by Emile Despres, a technical expert. Dr. Currie carried with him a personal letter of greetings from President Roosevelt to General Chiang Kai-shek, and while not announced, he probably carried a similar letter from Gen. Chiang to the President, on his return journey.

Dr. Currie's visit to China resulted in considerable speculation as did the visits of special investigators dispatched to Europe on similar missions at about the same time. While Dr. Currie was listed as President Roosevelt's Administrative Assistant, his experience has been concerned primarily with economic and financial subjects. He was an analyst with the Treasury Department and director of research and statistics for the Federal Reserve Banking system.

Since Dr. Currie has had long connection with financial and economic matters, it was generally assumed that his trip to China was concerned with these subjects. As the United States had countered Japan' ratification of a so-called "peace" treaty with the puppet regime of Wang Ching-wei, by arranging to make a loan of US$100,000,000 available to the Chinese Government, it was not unexpected that the President should send an expert to China to investigate how best the money could be expended. One-half of the loan, according to the announcement, is to be advanced through the Export-Import Bank to finance immediate purchases of necessary war materials in the United States. The debt will be retired by deliveries to the United States of wolframite (chrome ore), antimony, and tin, which already had been contracted for by the Metals Reserve Company, in connection with the "stockpile" policy.

The other half of the loan, with which Dr. Currie probably was more intimately concerned, will be used to support Chinese currency by methods to be worked out between T. V. Soong, Special Envoy of China, who is now in Washington, and officials of the U. S. Treasury. This portion of the loan, amounting to US$50,000,000, was involved in the "assistance" program, outlined by Secretary Hull, for the State Department, and Secretary Morgenthau, for the Treasury. It will come from the Treasury's stabilization fund, amounting to US$2,000 000,000. The transactions probably will involve the purchase of Chinese Yuan at a special rate to be fixed by agreement between the two countries, with the Chinese Central Bank contracting to re-purchase the Yuan at the same level at which the stabilization fund acquired the currency.

The Administration's aid-to-China proposal was placed before a joint session of the Senate Banking Committee and the House Committee on Coinnage, Weights and Measures, and both Secretaries Hull and Morgenthau appeared personally to explain the plans. Following their statements the two committees gave unanimous approval of the program, a remarkable development in view of the presence of members who were outspoken opponents of the Administration.

In view of the magnitude of the amounts involved and the importance of the issues concerned, it was obvious that the President should dispatch a trusted emissary to China to discuss the problem with the head of the Chinese state. Fundamentally, President Roosevelt and other Administration leaders are concerned with the matter of making the loans effective, to the end that China may be strengthened in her struggle against outside aggression. Should the situation develop into war in the Far East, China's position as a possible ally of the Democratic Powers would be of vital importance. The extensive assistance which has been given China through private agencies such as the Red Cross, religious and other groups, indicates that the American people generally are in sympathy with the Administration's program. Recently it was reported that a further drive for even more extensive assistance is shortly to be conducted.

"Currie Inspects Chungking Food"
"F. D. R. Courts Joe Stalin"

Cartoon in Wang Ching-wei's "Central China Daily News" (Shanghai) depicts (upper) Lauchlin Currie, President Roosevelt's special envoy, trying to carry out his instructions to inspect conditions in China, but is unable to do so because of the banquets which he attended. The lower cartoon, entitled "Romance in Spring-time, shows President Roosevelt in the act of courting Joe Stalin, Russian dictator.

Probably the most complete enunciation of China's hopes in connection with Dr. Currie's visit was contained in an editorial which appeared in the *Shun Pao* on March 1. The writer in the Chinese paper expressed confidence that from now on American aid to China will not be affected by any hesitation, but will become more positive and clear. Peace in the region of the Pacific can only

by maintained through friendly relations and cooperation of these two countries, located on opposite sides of the ocean. The fact that Dr. Currie was able to obtain all of the material he desired regarding a highly complicated situation, in such a brief period of time, testified to the efficient organization of the Chinese

Japanese Ridicule Currie Mission

Japanese military organ, Tairiku Shimpo, depicts President Roosevelt's special envoy at Chungking observing Dr. H. H. Kung, Minister of Finance trying to cover up Gen. Chiang's "injuries." The characters on the bandages read, "People's Unwillingness to Support Chiang," and "Blockaded." The figures fighting in the near are labeled "Communists and Kuomintang."

Government and the hearty cooperation of its various units. It also indicated, stated the editorial, that China had established the essential basis for the completion of her task of resistance and reconstruction.

Enumerating China's needs, the *Shun Pao* said that aside from financial assistance, China needed new military weapons such as airplanes and heavy guns. China must look to America as the only available source of such materials. Then there is the matter of supply routes in view of the blockade of the China coast by the Japanese Navy. All routes have been blocked except the motor highway through Burma to Kunming and Chungking. The editorial writer then said, "If Japan embarks on her southward expansion scheme and proceeds toward her objectives in Malaya, Indo-China and the Dutch East Indies, then the threat to the Burma Road will be increased. . . . .For these reasons, the United States, in extending aid to China, must particularly pay attention to maintaining the accessibility and safety of routes for the supply of all needed materials. This is an all important point for the consideration of the U. S. authorities."

"While there is certainly and absolutely no necessity for America to dispatch armed forces to China to fight in China's front lines, it is certainly a matter deserving consideration that arrangements should be made to supply China with the necessary technical experts, who possess scientific knowledge required for dealing with economics, transportation, military strategy and the operation of machinery and weapons, and trained and experienced technicians in order to obtain effective results."

Referring to the question of currency stabilization, the writer said that China, up to the present, had not been able to devise any effective means of dealing with the 'black' exchange market situation at Shanghai. The recent action of American banks in transferring all U. S. dollar checking accounts into savings accounts, constituted a preliminary step to meet the situation. "But China's enemies are secretly watching and they may still resort to various nefarious schemes to injure China's currency. America has a surplus of gold and should be able to devise some means to make good use of it and the question of how to support China's currency for the adjustment of her war-time economy is worthy of consideration."

In conclusion the *Shun Pao* expressed gratitude that Dr. Currie had said that China would not be disappointed at the outcome of his investigation and in the assistance which America would make. China will repay her debt, not only in a material way, but in a larger measure would repay her debt to America "by providing a gateway to unlimited commerce, everlasting peace of the Pacific, maintenance of international morality and human civilization, the fervent, sincere and truly sympathetic friendship between the peoples of China and America, the alliance, which is beyond words to express, the ability and willingness to undergo hardships together and conquer the oppressors and the everlasting cooperation of China for the defense of democracy."

The Japanese and puppet Chinese papers also paid close attention to the visit of Dr. Currie and ridiculed in cartoon and editorial all suggestions that it might result in benefit for China. Referring to the President's emissary as the "representative of the god of wealth," the *Central China Daily News*, personal organ of Wang Ching-wei, head of the puppet Nanking regime, said that propagandists in the pay of Chiang Kai-shek had heaped information upon Dr. Currie with the object of deceiving him regarding true conditions. Chiang Kai-shek, stated the editorial, hoped to obtain money for developing industry in the Southwest, particularly Sikang, Szechuen, Yunnan, Kwangsi, Hunan and Kweichow. But the poor communications in that area made industrial development difficult. Chungking is carrying on the work of construction and destruction at the same time. Chiang wants America to strengthen his military

"Holding Up His End"

Chicago Daily News

organization, but since America was finding it so difficult to help England it was obvious that Chiang could not obtain assistance. Though America possesses munitions and technical personnel, transportation conditions in the Southwest constitute a serious problem. We want Dr. Currie to know that the Chinese people are suffering from the war of the past three years and that the bulk of the people hope for peace. We oppose Chiang Kai-shek's policy of endless resistance and America's determination to utilize Chiang as her tool . . .Chiang has become lifeless and despite American assistance, he cannot live again. . ." In another editorial, the Wang organ charged that Gen. Chiang had "destroyed all democracy at Chungking and if political power was made accessible to the public, it would fall into the hands of the Communists only," declared the writer.

The editorial concluded by suggesting that "even in the United States, Mr. Currie would find the system of democracy greatly changed after an absence of one month in China."

Japan Would "Give" Stalin Sinkiang Province

The Russians have stated many times that their relations with China remain "unchanged," but the accompanying map from *Newsweek* shows how Imperial Japan is constantly tempting Stalin with the bait of Sinkiang Province. The accompanying article in the magazine said that the cause of China's independence had been menaced on two occasions, once when Britain was pressed by Japan to close the Burma Road, thus cutting China off from war materials from British or American sources. The other case, still unsettled, is Japan's attempt to reach an understanding with Soviet Russia and thus deprive China of help from the source.

Sinkiang and the ancient "Silk Road," which have again become internationally important due to Japan's blockade of the China coast. While always regarded as China's "back-door" this section of Central Asia has almost become the front door for Nationalist China.

Sinkiang, China's vast western province, borders on the Soviet Union and is dominated economically by Russia. Historically, Sinkiang, due to its location on the old "Silk Road" connecting China and Europe, had connections with European nations not possessed by China proper to the east. The Soviet Union's construction of the Turkish-Siberian (Turksib) Railway, running along China's western border, plus transportation of war supplies to China from Russia, has strengthened Soviet interest and influence in that region.

Sinkiang, known as Chinese Turkestan, is so large that its area can only be estimated roughly from 400,000 to 600,000 square miles. It is is bounded by Mongolia, Russian Turkestan, British India, Tibet and by the Chinese provinces of Kokonor (Chinghai) and Kansu. The total population is about 4,000,000 of which number only one-tenth are said to be Chinese. The others include Moslems, Turki tribes, Kasaks, Kirghiz, Kalmuks. These warlike tribes have fought among themselves for supremacy for centuries, but the Chinese have always managed in one way or other to maintain supremacy. Cities of this area such as Urumchi, Yarkand, Kashgar, and Alma Ata (on the Russian side of the border) have histories extending into the ancient past. The province is crisscrossed with trails leading to trading posts which have changed little through the centuries.

The writer in *Newsweek* said that when the time comes to settle accounts in the Orient, Gen. Chiang may be able to pay off America and Britain with cash (or China's raw products), but the Russians are so firmly entrenched in Sinkiang that Stalin may demand his payment in "square miles of Chinese territory." While Czarist Russian interest in the Orient was largely centered in Siberia and Manchuria, Soviet Russian interest has been concerned with Sinkiang. The Moscow Chamber of Commerce devotes more space to the products of Sinkiang than those of any other foreign country. Soviet interest in Sinkiang was first noticed in 1925 when the Russians intervened in a civil war. In 1934 Soviet troops were sent in to overthrow Gen. Ma Chung-ying, ambitious Chinese commander who was trying to establish his supremacy over an independent Moslem state. The North Manchurian troops of Gen. Ma Chan-shan, when defeated by the Japanese in the winter of 1931-1932, were permitted to cross the frozen Amur to Blagoveschensk, and then were transported over the Trans-Siberian and Turksib railways and permitted to enter Sinkiang with their arms and sufficient ammunition to establish their control.

Although Sinkiang has suddenly become of vast political importance, the Soviets thus far have restricted their interest to economic matters, leaving politics to the Chinese in the province and to Chungking. Aside from the caravan trails and motor roads, the Sino-Soviet Aviation Corporation maintains regular service between Alma Ata and Chungking, the Chinese operating the section between Urumchi and Chengtu and the Russian the section between Urumchi and Alma Ata. The airplane route follows the ancient "Silk Road," which is now traversed by motor trucks as well as camel caravans. The province is rich in gold, copper, coal and precious and semi-precious stones, including one of China's chief sources of jade. Gen. Chiang is said to have a valuable Jade seal with which he stamps official documents, which came from Sinkiang. The province is also said to have oil in paying ouantities.

Sinkiang, like Outer-Mongolia (completely controlled by the Russians), is largely barred to travel by foreigners. It is alleged that no one is permitted to travel in Sinkiang without a Soviet visa. This ruling allegedly was agreed upon by China and Russia to keep the Japanese out. Charges have been made and recently have been repeated that Japan is again trying to reach an understanding with Stalin by "offering" him sovereignty over Outer-Mongolia and Sinkiang, in exchange for Russian recognition of Japan's domination over Manchuria. Inner-Mongolia and Japanese-occupied China.

Are Japanese Trying to Buy the American Club?

As a result of almost unanimous opposition on the part of the membership to the sale of the American Club, it was decided at an extraordinary general meeting held on Feb. 28 to delay action pending an investigation of the possibility of finding suitable quarters. The meeting was called to consider a resolution submitted by the Club Committee authorizing the appointment of a committee of five "empowered to consider an offer which the General Committee had received to sell the Club." As a result of the peculiar wording of the resolution, the members did not have an opportunity to express their views on the main issue; however, the sentiment against sale of the Club was so pronounced that it was decided to delay action pending an investigation of the possibility of finding new quarters. Discussion at the meeting was quite heated as member after member expressed indignation at the apparent attempt on the part of the general committee to "railroad" the sale of the Club.

Although not announced at the meeting, it was learned that the offer to purchase the Club for Ch.$2,000,000 came from the Taiping Insurance Company, a Chinese-controlled concern, which is owned by the Kincheng Banking Corporation. The head of both bank and insurance company is Chow Tso-min (T. M. Chow), well known Chinese financier who was active prior to the outbreak of the war in promoting Sino-Japanese economic cooperation. Mr. Chow was president of the Sino-Japanese Economic Society, which held a conference in Shanghai shortly before the outbreak of the war. The Japanese delegation was headed by Kenji Kodama, head of the Yokohama Specie Bank. It also was reported that Mr. Chow was concerned with an attempt late in 1940 to induce Gen. Chiang Kai-shek to accept the Konoye peace terms. It was reported at the meeting that the proposal to buy the Club had been submitted by W. A. Adams, director of the China Realty Company.

Coal Shortage Threatens Drastic Cut in Shanghai's Industrial Output; Problem Result of "New Order"

BY JOHN AHLERS

The Shanghai Power Company, U.S.$50,000,000 investment and biggest American industrial venture in all China, was the first of Shanghai's public utilities compelled to request its customers to restrict consumption of its product, electric current. The reason given was the uncertain prospect of sufficient and regular coal supply in the future. Shanghai Power at the time of the warning held a stock of coal sufficient to cover the company's fuel requirements for a period of about three months, but there was serious doubt as to whether it would be possible in the months to come to replenish this stock to the extent of present coal consumption for purposes of power production. The Company was Shanghai's biggest individual coal consumer, requiring every month a minimum of 30,000 tons of coal out of Shanghai's present total monthly coal consumption of some 180,000 tons. The coal supply difficulties experienced by Shanghai Power strikingly illustrate the coal problem of all Shanghai, and its seriousness should not be under-estimated.

Fundamentally, Shanghai's coal problem results from Japan's attempt to enforce in her sphere of power what she calls a new economic order. It is clear today that by "economic sphere of mutual co-prosperity in East Asia" the Japanese mean nothing else but a combination of the resources of Japan herself with those of the Far Eastern Continent for the main purpose of feeding, clothing, equipping, arming and paying Japan's fighting forces. The Japanese, in return for their dubious gift of military invasion and occupation, extract from China's formerly best developed provinces the latters' most valuable commodity supplies. They appropriate occupied China's rice, raw cotton, coal, and other produce on an ever extending scale. This Japanese commodity squeeze in the occupied areas brings about artificial shortages, specially at Shanghai, of precisely those goods whose surplus supply in pre-war years formed the basis of these areas' bygone prosperity. The result is a complete reversal of these territories' foreign trade structure; in Shanghai and occupied China today the bulk of imports from abroad consists of goods which previously were not imported at all, or even were being exported. This is the case with coal in particular.

Needed By Industries

The development of Shanghai industries was based upon an ample and cheap supply of North and Central China coal. In pre-war years, local coal imports included anthracites only; Chinese bituminous coal was supplied in quantities more than sufficient to cover local demand. But the Japanese in the occupied areas seized all Chinese-owned coal mines, allotting these valuable properties to subsidiary companies of semi-official Nipponese development corporations operating to the tune of Japanese military command. The bulk of these mines' coal production today is being exported to Japan, including all the high-quality coal, and leaving but the worse qualities for consumption in the North and Central China interior. The British-owned Kailan Mining Administration, biggest coal mining enterprise in all China, has been induced to yield to Japan proper fully one-third of its current coal production.

The Chinese occupied areas' coal exports to Japan and her colonial accessories continued to sharply increase throughout the past year. In the direction of Japan proper, these exports soared from 2,421,119 metric tons in 1939 to 3,846,368 metric tons last year. The monthly average of these exports last year was 320,000 metric tons, but in January this year these shipments had further increased to 372,770 metric tons. North China coal exportations to Korea went up from 290,345 metric tons in 1939 to 386,902 metric tons in 1940, and those to the Kwantung Leased Territory from 141,876 to 448,642 metric tons. More than half of Japan proper's present coal import demand is being covered by coal shipments from North China.

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"Not a Pretty Picture" "Wave of the Future"

The Chicago Daily News

Japanese and Chinese Both Voice Determination in Conflict; Tokyo Threatens Action Against Burma

A relative lull continued on the China war front throughout the past week, with no important engagements reported by either side. General Shunroku Hata was reported to have been appointed to command Japanese forces in China again, and Japanese reports, meanwhile, persistently claimed an advance of twenty thousand Chinese troops into Burma's Shan state. These were denied by both the Chinese and British military quarters.

Once again China's war aim was voiced by Generalissimo Chiang Kai-shek who, in a speech delivered at the opening of the second session of the People's Council on March 1, summed up the aims in two words: "Victory and Security." In order to achieve this aim, Gen. Chiang said that all parties, whether leftists or rightists, must unite to defend the country to their utmost effort.

Hopes that China would win the war were expressed by the Soviet Defense Commissar, Marshal Timoshenko, in a recent telegram to Gen. Chiang, in reply to Gen. Chiang's congratulations on the recent Red Army anniversary. "The Chinese nation is carrying on a great and heroic war for its own emancipation and independence," Marshal Timoshenko's telegram said. "I sincerely wish for success of Chinese resistance. I am confident that under your leadership, China soon will gain victory."

"No Matter What Happens"

China's determination to carry on her war of resistance was also observed by a recent **United Press** report from New York which, quoting "high Chinese sources," stated that China would continue her "war of resistance" against Japan "no matter what happens." The course of this resistance would be determined in a great measure by the amount of assistance received from the United States, according to Dr. Wang Chung-hui, Chinese Foreign Minister. Such assistance had to include aeroplanes, guns, tanks and weapons, as well as monetary assistance which already had totalled US$259,000,000 since 1930.

Japan was equally determined to continue the war until China accepted a "reasonable" peace, continued the same report. Observing that the American support for China was the chief cause of Japanese American tension, the report said that should Japan succeed in dominating Chian, American interests in that part of the world eventually would be eliminated. Because she was fighting the Axis conception of a new world order based on force, China really was fighting the United States' battle.

It was estimated by the **Ta Kung Pao**, influential Chungking organ, that it cost Japan over ten million yen a day to keep her troops in China, or over 400,000 yen an hour. These approximate figures, according to the same journal, were arrived at on the basis of the Japanese supplementary extraordinary military budget for the concluding fiscal year, which called for 1,000,000,000 yen to cover military expenses for February and March, 1941.

After a detailed analysis of one and another supplementary budgets drafted by the Japanese militarists in their attempt to liquidate the "China Incident" at the earliest date possible, the paper gave the grand total cost of Japan's 45 months' campaign in China, up to the end of March, 1941, at 17,455,000,000 yen. The estimate was said to have included the supplementary budget of 1,000,000,000 yen for the two months of February and March.

Reuter reported from Tokyo last week that General Shunroku Hata, former Commander-in-Chief of the Japanese forces in Central China, and later A.D.C. to the Emperor and twice War Minister, had been appointed to his old position of Commander-in-Chief in central China, replacing General Toshizo Nishio. General Hata was the man who brought down the Yonai Cabinet on a demand by the Army for drastic national reorganization. General Nishio, who has just completed a ten-day inspection tour of North China, has been appointed a member of the Supreme War Council.

Alleged Secret Pact

The advance of twenty thousand Chinese regular troops into Burma's Shan state was first claimed by a **Domei** report from Bangkok. Carried out in accordance with the alleged secret Anglo-Chinese Military Alliance concluded at Chungking last month, the Chinese troops entry into Burma was, according to the Tokyo **Asahi**, to fill the gap caused by the latest shift of British Indian troops in Bama to Southern Malaya, while **Domei** said that Britain that with cooperation of Chungking, was attempting to encircle Thailand.

The Chinese troops were said to have large supplies of artillery and tanks. The **Asahi** further said that many Chungking Fifth Columnists also had entered Burma.

Japanese reports, however, were denied by both the British and Chinese military quarters. Britain's denial was made by British military quarters in Bangkok on February 28, which admitting some concern over the present shortage of British troops in Burma, added that Indian forces probably would be despatched shortly.

The Chinese military spokesman in Chungking, commenting on the Japanese rumor on March 3, said that there was no need for the Chinese to aid British defense, according to **United Press**. The spokesman was quoted as having said that "Burma belongs to the Burmese, although it is under British

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Japanese Tighten Blockade on China

Japan's blockade against China tightened on Wednesday with the completion of operations suddenly started last Monday along 240 miles of coastline from a point west of Macao to the vicinity of the Gulf of Tonkin, said semi-official reports from south China.

The blocking of this area, the Japanese reports said, cut off the only remaining supply route to Chungking, thus completing Japan's extensive blockade against China.

In occupying the strip of coastline from Pakhoi to Kwanghoi, Kwangtung, Chinese traffic in arms and munitions through various points in this area was blocked, the Japanese reports, quoted by **United Press**, asserted.

"And Only One Year Old"

Thomas in The Detroit News

General Chiang Defines China's War Aims as Victory and Success in Stirring Appeal for National Unity

The importance of strengthening national defenses during the present world crisis, says *Kuo Min*, was stressed by General Chiang Kai-shek, President of the National People's Political Assembly (*Kuo Min Tsan-Cheng Hui*), at the opening ceremony of the First Session of the Second Term of the Assembly on March 1.

General Chiang, declared a Kuo Ming Message, reviewed administrative policies of the National Government in the past three years, made a general survey of the Sino-Japanese situation, and urged the Assembly to assist the Government in strengthening the national defenses.

The Generalissimo began by welcoming the various members attending the conference, especially those coming from the Japanese occupied areas.

In the past three years, General Chiang said, the administrative policies of the Government have been consistently based on the Outline of (National) Resistance and Reconstruction (*Kang Chien Kang-Ling*). adopted by the Emergency National Congress of Kuomintang Delegates and unanimously supported by the National People's Political Assembly upon its inauguration in July, 1938.

The Government, he added, had made every possible effort to increase the nation's power of resistance and lay a firm foundation for economic reconstruction. Efforts had been made to establish the rule of law; preparations have been accelerated for the inauguration of Constitutional Government; local autonomy has been promoted to facilitate "political reconstruction."

At the same time, the Government has striven to increase production, develop communications, ameliorate the livelihood of the people, and enforce a system of economic control throughout the country.

Developments Expected

Surveying developments in the Sino-Japanese situation, General Chiang said that events in the past two years had evolved entirely according to the expectations of the Chinese Government. The Japanese troops in southern Kwangsi were routed last autumn, while those in western Hupeh were maneuvered by our forces into an untenable situation.

"Today," General Chiang added, "Japan's military situation is irretrievable. The Japanese themselves also know that they have been defeated."

Despite Japan's diplomatic maneuvers, General Chiang said, the various friendly Powers now clearly understand Japan's aggressive designs and are increasing their aid to China. Japan's "peace and rumour" offensives have failed to shake the confidence of the Chinese people.

"In the preliminary stage (of the Sino-Japanese undeclared war), we fought the Japanese single-handed in order to check their aggression. Today, our campaign of resistance has become the central force in the concerted effort of the various Pacific Powers at checking Japan," General Chiang added.

New Turn Favourable

The new turn in the Sino-Japanese situation, which is favourable to to China, has only been achieved through the heroic sacrifices of the Chinese army and the Chinese people, General Chiang said.

"Soviet Support Of Chungking"
(Japanese View)

Japanese military organ, Tairiku Shimpo, at Shanghai continues to charge Soviet support of Chungking although Tokyo is trying desperately to make a deal with Moscow. Above cartoon shows a gnarled and rotting tree, labeled Chungking, being eaten away by "red" woodpeckers (marked communists and speculators), with Gen. Chiang and staff officers sitting on the limbs, while the Kuomintang "birds" fly over to the flourishing tree, which depicts the Japanese-supported Nanking Government, headed by the puppet Wang Ching-wei.

Referring to Japan's southward expansion, General Chiang said that the aim of the Southward Expansion Policy is to tighten the blockade against China and force her to capitulate to Japan. Japan's southward expansion therefore was a direct menace to China's national existence.

As the result of China's heroic resistance against Japanese aggression in the past three years, General Chiang added, China's position in the family of nations had been elevated; at the same time, her responsibilities for the future of humanity and civilization had been increased. The world now recognized China as the chief force for the defence of peace and justice in both the Orient and the Occident.

No Longer Isolated

"China's campaign of resistance is no longer an isolated affair, but has become the most important factor for the restoration and maintenance of peace and order throughout the world," General Chiang said.

Continuing, General Chiang called attention to the extreme importance of strengthening the national defences during the present world crisis. The aim of national defence, based on the San Min Chu-I (Three People's Principles), was to enable the country to defend itself effectively against foreign aggression. Events in Europe had proved that a nation which could not defend itself against foreign aggression could not exist as an independent country, and would only capitulate to a superior external force and be thrown into slavery.

"National reconstruction must be based on the requirements of national defence, and the entire people must be 'militarized,'" General Chiang added.

Old Ideas Condemned

He then urged the people to discard obsolete political doctrines, beliefs or creeds, and concentrate their efforts on economic reconstruction based on the needs of national defence. The entire people, regardless of their political affiliations, should face together the realities of the present world situation, and strive in unison for the consolidation of national defence.

Economic reconstruction, General Chiang said, should include both wartime and post-war reconstruction. The Industrialization Plans formulated by Dr. Sun Yat-sen, the late Party Leader, at the end of the First Great War (1914-18), will guide the Government in its work of economic reconstruction.

In conclusion, General Chiang urged the members of the Assembly to assist the Government and lead the people in achieving the ultimate victory and strengthening the national defences, so as to safeguard the nation's independence and freedom and assure peace and order in the Far East, in particular, and in the world, in general.

The long-heralded second National People's Political Council finally began its opening session at an undisclosed place in Chungking on March 1, with approximately 190 members of the Council's 240 members, according to **United Press** from Chungking. After a lengthy program, the Council reconvened on March 2 and elected a Presidium which included Gen. Chiang, Dr. Chang Po-ling, Independent, Chang Chun-mai, National Socialist, Tso Shun-sheng, China Youth Party and Miss Yu Yi-fang, Independent, and President of the Ginling College for Women.

One of the most significant features of the meeting was the fact that Council members attended from Shanghai, Nanking, Manchukuo and other parts of Japanese-occupied China, and from as far afield as Mongolia and Tibet, Singapore, as represented by Mr. Au Boo-haw, San Francisco, represented by Mr. B. S. Fong.

President Lin welcomed delegates and stressed national solidarity, and national reconstruction, while referring to reports of Council members concerning tours to various fighting fronts.

General Chiang, as Speaker, and Dr. Chang, as Deputy, presided alteratively at the session. A total of 201 councillors were registered, including all Communist members except Mao Tse-tung. None of the Communist members attended the two sessions held on March 1 and 2, however, confirming an early report circulating in Chungking that Communists would not participate in the Council.

Most Democratic Forum

The National People's Political Council, said the report, was China's most Democratic forum, enabling representatives of all political groups in the country freely to exchange views concerning the major problems confronting the nation. It was believed, therefore, that differences between the Kuomintang and the Communists, following the disbandment of the New Fourth Army, might be amicably settled through frank discussions at the forthcoming meeting of amicably settled through frank discussions at the forthcoming meeting of the Council.

Failure of the Communists to attend the session, continued the same report, would not only indicate that they were unwilling to participate in an open discussion of their differences with the Kuomintang, thereby prolonging the communists were not supporting the very deadlock, but would also mean that the cause for which they had been agitating—the establishment of a body in which all political groups might offer their views and participate in the government.

Insistence on the democratic principles of the Council was maintained by official sources in Chungking when they welcomed Dr. Lauchlin Currie, President Roosevelt's "personal envoy" to China and prominent U. S. financial expert, who acknowledged the presence of these principles when he attended a reception given in his honor by the Sino-American Cultural Association and the Chungking Harvard Club in Chungking on February 23. "China is asking too little and America has so much to give," he declared. "I hope we will not fail you."

Parallel Growths

Dr. Currie, who left for the United States via Hongkong on March 2, noted that both China and the United States begaon their democratic growth in village administrations. He expressed great satisfaction at finding development of the concepts of democracy towards equal rights for all.

Dr. Currie's emphasis on wider democracy "from the bottom," according to **United Press** from Chungking, impressed Chungking foreigners considerably with its significance. The general opinion in these quarters was that these principles should be particularly stressed at the present moment. His speech, however, stated the same report, apparently failed to arrest serious attention in Chungking except to be welcomed as cordial social remarks.

Rumors to the effect that Dr. Currie had healed the Kuomintang-Communist rift during his recnt stay in Chungking, meanwhile, had been circulating in the Chinese political circles, but was later emphatically denied by the official **Central News Agency.** It was believed that the rumor must have had its origin in Dr. Currie's interview with the Communist leader, General Chow En-lai, details on which were still unrevealed.

Communist Stand

The indispensiblity of Democracy in present-day China was also strongly voiced by some Communist quarters who complained thaht the recent friction and clashes between the Kuomintang and the Communist Party were not a problem of "discipline," but rather were a preliminary move on the part of the so-called anti-Democratic wing of the Kuomintang. A communist manifesto declared that only through Democracy "can we save the situation. Only by granting the people "can we save the situation. Only by granting the people the right which belong to them, can stop friction and clashes between the Kuomintang and the Communist Party. To gain freedom and independence, added the same circles, China must have Democracy, and with Democracy, all differences could be settled easily by the people themselves.

Communist quarters concluded that as the masses of the Chinese people wanted the war of resistance to go on to final victory, as they wanted Democracy more fully to insure the right to organize and to defend themselves, and as they wanted unity among all classes and parties of the people, "all attempts at betraying this people's war are bound to fail and the future of China is bright if we can strive to establish a Democratic China."

The National Government, it may be recalled, sent another military order to the 18th group Army—including the Eighth Route and all other Communist units—asking them to concentrate in a certain zone of operation against the Japanese, according to **United Press** from Chungking, quoting the official **Central News Agency** on February 22. The order, however, was not replied to by the Communist forces. As a result, messages were sent by the Hunan and Kwangtung Provincial People's Councils to the Red leaders, Generals Mao Tse-tung and Chu Teh, appealing for cooperation and internal unification. Both messages stressed that they were highly alarmed by the Red's "undisciplinary actions" in various provinces—Hopei, Chahar, Shangtung, Anhwei, and Kiangsu,—and declared that internal unification was a prerequisite of eventual victory.

Order To New Fourth Army

According to the prevailing opinion, the zone in which the Communist units had been ordered to concentrate was believed to comprise roughly Shensi, and part of Hopei. It would appear that since the Eighth Route Army was not operating outside that area, the order was directed principally at the Fourth Route Army, large number of whose troops were still in eastern Honan and northern Anhwei and Kiangsu.

Evidence testifying to local Kuomintang-Communist breaches during the past year was also indirectly revealed in a recent Chungking report carried by the **United Press.** According to the report, five Kuomintang workers who were murdered or executed behind the Japanese lines while engaging in secret work during the past year were honored in a recent memorial service held in the auxiliary capital. Among the five murdered, two were reported to be the victims of local Communist units, namely, Mr. Chu Yu-ching, an executive member of Chungking's secret Tang Pu (party headquarters), in Hopei, and Mr. Chen Wen-pin, executive member of Chungking's secret Tang Pu for the Tientsin-Pukow Railway, who was alleged to have been murdered by the New Fourth Army in eastern Anhwei.

Sino-Soviet Friendship

Despite difficulties which might have existed between the Kuomintang and Communist Parties, Sino-Soviet military friendship was signified during an anniversary reception given by Lieutenant-General V. J. Chuidoff, military attache to the Soviet embassy, at Chungking on February 23. A large gathering was present, including many Chinese officials and diplomatic corps, among them Generals Ho Ying-ching, Ho Yao-tsu, Pai Chung-hsi, Drs. Su Fo, Wang Chung-hui and Mr. Nelson T. Johnson, and Sir Archibald Clark Kerr, respectively U. S. and British Ambassador to China. Generalissimo Chiang Kai-shek was reported to have also attended the reception.

Ta Kung Pao, influential organ, observed that the Generalissimo's presence at the Embasy reception marked special intimacy in Sino-Soviet relations. The Generalissimo, the journal said, had never called at Foreign Embassies during such an occassion as the reception and the unprecedented visit signified military friendship between the two countries. Dr. Sun Fo, President of the Legislative Yuan, as President of the Sino-Soviet Cultural Relations Society, wired Joseph Stalin, urging close cooperation between the two nations to eradicate international robbery at an early date.

Tolischus In New York

Otto Tolischus, who recently arrived in Tokyo where he will serve as correspondent for the **New York Times,** was awarded the Pulitzer Prize in 1939 for a series of articles published by his paper dealing with the growth and development of National Socialism in Germany. The articles were later published in book form under the title, "They Wanted War." In a recent interview in Tokyo, Mr. Tolischus said that the German authorities had requested him to leave the country because of official animosities aroused by articles he had written. Mr. Tolischus succeeds Hugh Byas, who served as correspondent in Tokyo for the **New York Times** and **London Times** for several years.

"No Illusion this Time"

Shanghai Evening Post

"Only Stirring Up Trouble"

Chicago Daily News

"Carrying On The Glorious Tradition"

The Chicago Tribune

"Yanks Are Humming"

"Parried"

Welwoche, Zurich.

"Which Of You Is To Blame For This?"

Daily Express,, London.

"So Peaceful"

London Daily Mirror.

"New Style"

Chicago Tribune

WHEN SNEAK MEETS GREEK

"Look, Adolf! I've got him on the run!"

"What are you building, Adolf?"—"Nothing. I'm just seeing how high it will go."

Two cartoons from the Daily Herald, London, depict Mussolini in familiar mood—fleeing from the Greeks, greatly to the discomfort of Adolf, and (on the right), trying to compete with Hitler in building his "house of blocks."

Singapore Declared Liability as Well as Asset in Plan For U.S. Defense of Status Quo in the Far East

BY ERNEST O. HAUSER*

(From the Atlantic Monthly)

Where the Pacific meets the Indian Ocean, the world's most powerful naval base guards the white man's stake in the Far east. Will American ships be called upon to defend it? Imperial Singapore bristles with fortifications; it has the guns, the docks, the planes, the men needed to keep an enemy at a respectiful distance. But it has no ships. Britain can spare no battleships for use east of Suez, and the cruisers, destroyers and submarines of her Asiatic fleet, based at Hongkong, are nothing much to crow about. The United States, on the other hand, maintains a formidable battle fleet in Pacific waters

Now Up To Japan

In a radio broadcast ,Mr. Victor Purcell, Director-General of Information in Singapore, declared on February 24 that from now on it was "up to Japan".

"There is no question of a British or American attack on Japan," Mr. Purcell was quoted by Domei as saying, "We know only one thing and that is that if we or our Allies are attacked, we shall fight." The reference was taken by local papers to mean that by "Allies" Mr. Purcel meant the Dutch East Indies.

but lacks adequate Far Eastern bases to operate from. This is why a British-American agreement, covering the use of the Singapore base by American ships, sounds like a reasonable give-and-take proposition. It makes sense.

The Singapore fortress was built, with a capital outlay of roughly $80,000,000, to serve as a concentration point for a gigantic fighting fleet. A look at the map shows that the place was well chosen. The tropical island of Singapore dominates the nine-mile-wide entrance into the Indian Ocean where Britain's vast and partically defenseless Indian Empire beckons—Asia's most tempting prize. It lies, moreover, in the hub of a huge circle which embraces the Netherlands Indies, French Indo-China, British Hongkong, and the rich Malay States. Australia, New Zealand, and the Philippines lie within the range of Singapore, and even the eastern coast of Africa and the western coast of Canada could benefit from its strength. Three quarters of the land territory of the British Empire is grouped around Singapore.

There was only one potential enemy in the minds of the honorable M. P.'s who passed the Singapore bill in 1923: Japan. And the effort of making the fortress impregnable gathered momentum with the growing strength and aggressiveness of the Japanese Empire. True, the islands of Japan are some three thousand miles removed from the base. But Japan's navy is rampant in the China Seas, and Japan's armed forces have crept alarmingly nearer in the last three years. Hainan, the strategic island off the coast of South China, is in Japanese hands. Indo-China is rolling into Japan's broad lap; and the southern tip of that French colony, with the fortified port of Saigon, hangs over Singapore's head at a distance of only five hundred miles. Japan, seen from the palm-studded beaches of Singapore, is not a mirage, but a reality.

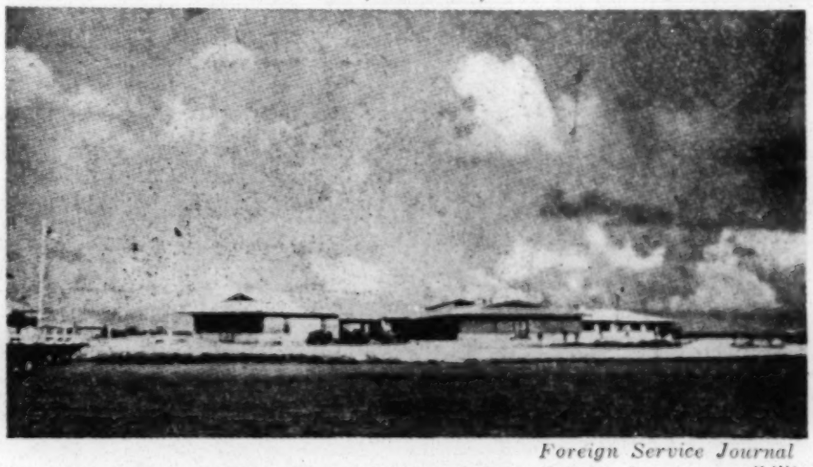
Navy Awaits Signal

It was to defend colonies from the hungry Japanese that the Singapore fortress was voted into existence; it is for this purpose that it may be used in the near future. Japan's armies are mired in China; they have won all the battles, but victory is not in sight. Even if victory were complete, however, China yields no riches. Thus, while Japan's army is striving for a face-saving compromise in the dusty plains of China, Japan's navy is getting up steam. It is waiting for the signal to weigh anchors and to steam down into warm equatorial waters, where islands where islands rich in oil, rubber, tin, and ores invite conquest.

We do not know where the Japanese will be going next. It depends on what is happening over London, in the Balkans, in the deserts of Africa. It depends, too, on the immediate future of Singapore. For while Japan's keen and ambitious admirals are waiting for their European partners to give them the green light, Singapore is the only place where a red light could stop them.

It is no secret that a southward expedition aimed at the Netherlands Indies long has been mapped in every detail by the admiralty in Tokyo. These wealthy islands, scattered through a space almost as large as the territory of the United States and inhabited by 65,000,000 brown people, are the most precious of the floating prizes of this war. They have everything the Japanese haven't —rubber, iron, tin, some gold, almost all the world's quinine, most of its kapok and pepper, and the largest oil fields in the Far East. These raw materials would pump new blood into Japan's industries. They would, through sale abroad, pump new gold into her nearly empty coffers. And the vast population of the archipelago would constitute a safe and valuable market for products made in Japan.

Joint Responsibility Here



Foreign Service Journal

Canton Island, where the United States and Great Britain share responsibility for joint administration. Canton Island (and Enderbury, nearby), 1,850 miles southwest of Hawaii and midway between Hawaii and Samoa, serves as an important way-station on the Pan-American air-route connecting San Franscisco, Hawaii and New Zealand-Australia. Canton and Enderbury islands were visited early in the eighteenth century by American and British guano collectors, but neither of the countries had established exclusive control. As a result of conversations initiated in April, 1939, the two governments arranged for joint administration by an American and a British official. The islands can only be used by civil aviation interests. The joint arrangement extends for 50 years. Canton Island, most of which is shown in the picture, is a barren coral atoll. Recent construction consist of a dock, radio station, hangar, and a hotel replete with mess boys, stewards, room boys, a dietitician and a doctor. The giant Clipper Flying Boats, which land here on their South Seas flights, have a capacity of 74 passengers. The foregoing paragraphs are from an article by Daisy D. Reck in the December Foreign Service Journal.

N.E.I. Defense Problem

Can the Indies be defended? The islands are well fortified, and the local Dutch administration has done a splendid job of building up a large army of bright and loyal Eurasians. Naval forces of considerable strength are based in Soerabaya and other ports, and the Dutch air force, made up of fast and expensive American planes, is said to be in top shape. But whether these efforts will suffice to keep an approaching enemy away from the islands' shores appears doubtful. The defense problems of the archipelago are strangely similar to Norway's. There is an immense coast line which affords innumerable points where a landing could be made. There are bays and inlets which open up patches of valuable territory inaccessible from the rest of the colony. The vital port of Balikpapan on the island of Borneo, for example, where the oil pipes meet the sea, is surrounded by impenetrable jungle which insulates it from the remainder

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***An article which appeared in the March 1 issue of "The China Weekly Review" discussed the part Hongkong might play in Democracy's "first line of defense" if war came to the Pacific. In the foregoing article Mr. Ernest O. Hauser analyzes the position of Singapore in relation to the United States.**

of Borneo. It could be invaded by relatively small units of an enemy fleet; and after a surprise landing it would take a colossal effort to dislodge such enemy forces.

Military observers doubt whether Japan could spare enough ships for such an expedition; they also doubt whether an expedition could get that far without being spied, and bombed or torpedoed out of existence. But, at least for argument's sake, it cauld be assumed that a totalitarian nation can always spare enough of anything if its leaders mean business; besides, an expedition aiming at the local occupation of one or two strategic ports (not of the entire archipelago) would not have to be large. The Germans did not use large armadas to steam up the Norwegian fjords. As for the discovery of a southward move in time to stop it, it must be said that those are tricky waters, that the expedition would not have to come all the way from Japan, but from advance base such as Hainan or Indo-China, and that a lot of open water would have to be surveyed day and night to achieve the purpose.

This is where Singapore comes in. Ships can carry men and equipment from Singapore to Batavia in ten hours. Planes can get there in less than two.

Britain's Stake

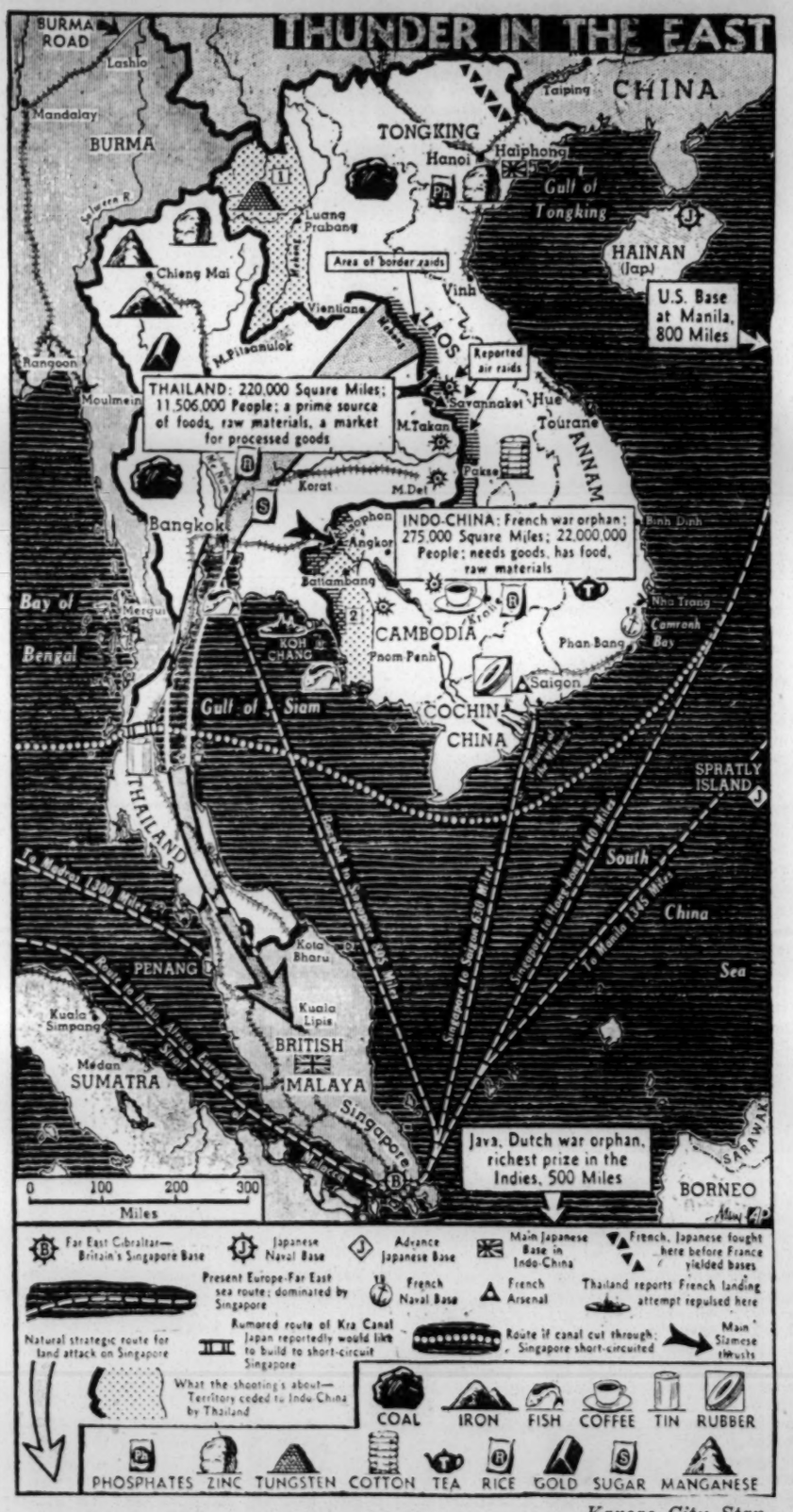
The protection of the Netherlands Indies was a part of the Singapore scheme even before the islands were orphaned by the German occupation of their mother country. Britain's economic stake in the archipelago is considerable. Through the partly British owned Royal Dutch Shell combine, Britain has a hand in the exploitation of the islands' oil resources; the British investment amounts to over $130,000,000. Britain's share in the colony's trade and shipping is heavy. Apart from such economic interests, however, British statesmen knew that they could not afford to let the islands fall into the hands of an enemy; they could not afford to have the Empire's communications with Australia severed at will, and to face the muzzles of enemy guns across the street from Singapore. Today, Britain's interest in defending the Dutch islands is even greater.

The United States has solemnly affirmed, through the Secretary of State, her vital interest in the preservation of the **status quo** in the Netherlands Indies. A look at U. S. import statistics shows that Americans depend heavily on the islands' rubber. Along with the tin produced in nearby British Malaya, the U. S. needs it for the smooth execution of her armament program. To help in the islands' defense, however, American forces might have to be based in Singapore rather than rely upon the existing American facilities in the Philippines.

Battleships want to have their hulls scrapped at least twice a year. There is no dry dock in the Philippines where battleships or large cruisers could put in for such essential repairing and overhauling jobs. The nearest dry dock is in Singapore. It was erected there to to save British ships the trip to Malta, six thousand miles away. A huge floating dock, which can handle ships larger than any units in existence, was towed all the way down to Singapore from England. Thus, two of the world's largest capital ships can be refurbished simultaneously at Singapore. With not a single ship of the line stationed there, the base is like a chicken farm without chickens.

Manila Guarded

There is another ironical aspect to this situation: even to defend the Philippines, a fleet might have to be based in Singapore rather than in Manila Bay. Despite General MacArthur's efforts to build up a native army in the islands,



Kansas City Star

The above map clearly shows Singapore's position in the new turn of events in the Far East, and illustrates the points made by Mr. Ernest O. Hauser in the adjoining article. The proposed Kra canal, construction of which would deprive Singapore of much its present vast shipping trade, is shown as a beaded line.

which would be able to take over when the Stars and Stripes are hauled down in 1946, Philippine defenses remain pathetically inadequate. The islands lie directly in the path of a Japanese thrust to the south, and their northern outposts are almost in sight of Japanese Formosa. A Japanese landing could be effected without much ado along any of thousands of points of the unguarded coast line: chromite, iron, copper, and gold would be the booty.

This, again, is where Singapore comes in. Advocates of an American 'visit' to Singapore suggest that U. S. ships, with the facilities and resources of the British base at their disposal, might issue from that port unhampered by Japan-

ese torpedoes, bombs, and mines. They might steam up some fifteen hundred miles to intercept a Japanese expedition and to give battle victoriously. Such an event, however, is apt to remain hypothetical. The mere stationing of large American forces at Singapore is likely to deter the Japanese from an armed venture to the south. It was this thought that prompted Japan's Foreign Minister, Yosuke Matsuoka, to register his profound concern when plans for British-American cooperation at Singapore were first mentioned in the press.

Peaceful Atmosphere

As long as Singapore is a naval base without a navy, the visitor who firsts sets foot there does not feel that he is entering the arena of tomorrow's war. The city, which was a jungle-surrounded fishing village when Sir Stamford Raffles acquired it for the East India Company in 1819, is one of the world's largest commercial ports. The first impression is one of peace rather than of armed preparedness. Thanks to its position on the main thoroughfare between the West and the East, Singapore enjoys the monopoly of Europe's trade with East Asia; some $750,000,000 worth of commerce moves through its harbor every year. Some two hundred and fifty steamers formerly were tied up along its piers every day. They have to put in here on their way out to China, Australia, New Zealand, and Japan. In times of peace, Singapore was the great commercial clearinghouse for all of southeast Asia. Today, with many of the China ports paralyzed by the Sino-Japanese war, it has taken over much of the China trade. Incoming cargo is trans-shipped here for the precarious voyage over the Burma Road, and Singapore harbor is humming with activity.

According to geography books, the Malay Peninsula is inhabited by Malays. In this city of Singapore you won't see many of them. Those brown, gracious, slow-moving, and lazy people, Mohammedans by religion, still prefer the leisure of the jungle. Most of Singapore's 700,000 people are Chinese immigrants, alert, hard-headed, businesslike fellows, and good and orderly citizens, whether coolies or wealthy merchants.

The Japanese have filtered in more recently. There are, by now, several thousand of them, and they have given the British administraors the 'yellow fever.' They from a closely knit group which shows a remarkable **esprit de corps** and whose activities are difficult to check. Many of them are traders—Japanese cotton goods in the Singapore market sent shivers down the spines of Lancashire merchants years ago. More recntly the anti-Japanese boycott of the local Chinese community has squeezed some of those Japanese out of business. But Japanese fishermen still roam Singapore waters doing more business than any other group, although some of those fishing licenses have recently been revoked. There are Japanese barbers shopkeepers, and the representatives of large Japanese merchant houses and shipping lines. There is a Japanese golf course, and a large luxurious Japanese Association building. Whether all this adds up to a Japanese fifth column is difficult to say.

Ready for "The Day"

Some twelve miles away from Singapore city, the 'fortress' lies hidden in the thick jungle. Ammunition dumps, repair shops, and the two huge docks form the naval base at Seletar, on the northern shore of Singapore Island. There, reclaimed from swamps and jungle, are the sites of the RAF air base, oil stores that can keep an entire fleet afloat for half a year, and the most powerful radio station in the Orient. The base is protected by eighteen-inch guns, the largest coastal batteries in the world, which are placed at Changi. There are colossal searchlights, anti-aircraft guns, and steel nets for protection against submarines.

Singapore's preparations for 'the day' revolve, however, around the island's air force. It consists largely of Lockheed bombers which were ordered in the United States before the war began. They were shipped to Australia early in 1940 and were taken to Singapore by members of the Australian air force who are now stationed at Sembawang, outside Singapore city. These planes, flying in formations of five, are constantly on patrol over the fortress, often flying out over the ocean for a distance of five hundred miles. Singapore's fighting man power is being augmented rapidly. On the ground, there are three battalions of British infantry and a large number of troops from British India, including an Indian anti-aircraft regiment. An army of seven thousand technicians and mechanics stand with screw drivers handy.

It is evident from all this that the Singapore scheme was conceived from the viewpoint of defense, not attack. An approaching enemy would think twice before tackling the 'Gibraltar of the East.' Singapore's big guns, firing over a distance of twenty-five miles, are likely to keep the Japanese at more than arm's length. The only possible danger, then, that remains is the danger that the architects of the Maginot Line inexcusably ignored: aggressors are curious people; they do not like to attack fortifications known to be impregnable. They'd much rather take a detour.

Danger from Siam

Singapore is out on a limb. The limb is the long and slightly crooked Malay Peninsula on whose southern tip Singapore lies. In its northern reaches, the limb is alarmingly thin. Some five hundred miles above the fortress, only the narrow isthmus of Kra separates the Pacific from the Indian Ocean. Cut the limb at this point, and Singapore will be left without life. As it happens, the Isthmus of Kra belongs to Siam, a colorful, Oriental jungle kingdom, the only independent nation in southeastern Asia. For years the British rulers of Singapore have cast a worried eye on their neighbor to the north. Siam, which is now Thailand, might well turn into another Belgium in the event of an Anglo-Japanese clash.

Japanese influence in Bangkok has grown stronger of late, and there is little doubt that Thailand's place in greater East Asia has already been specified. Japan at present contemplates raising the legation at Bangkok to embassy status, and, with Japanese troops all over neighboring Indo-China, Thailand may well be expected to 'look up to Japan as an elder brother.'

Singapore is within easy bombing distance of a base which the Japanese might like to establish in the green jungles of Thailand. But a far more formidable danger lurks behind Thailand's friendship with Japan. The Isthmus of Kra, at its narowest point, is only twenty-five miles wide. The range of mountains running the length of the Isthmus is interrupted by a valley here, and the alluvial soil and the equal water level of both oceans would make the construction of a shipping canal possible. For several years rumors have asserted that such a canal would be built by Thailand with Japanese financial and technical aid. Thus far, no steam shovel has scratched the Isthmus. But Singapore merchants look up north with apprehension: a shipping canal at Kra would deprive them of their monopoly, as it would cut the trade route between Europe and the Orient by three days. And the military wonder what good their eighteen-inch guns would be if another gate opened into the Indian Ocean.

Britain Holds Purse Strings

As long as the British Empire stands, the Kra canal is not likely to be built. Its western entrance would lie in the shadow of British guns mounted on the southern tip of Burma. Besides, Britain still holds the purse strings in Siam; practically all of Thailand's public debt is made up of sterling loans, floated in the London market, and most of Thailand's securities are deposited in London banks. A British financial adviser draws up the Thailand budget, and a large proportion of Thailand's public utilities and private industries is British-owned. Sir Josiah Crosby, Britain's envoy in Bangkok, is said to have offered Thailand a loan of $20,000,000 together with a promise to help her recover her lost territories from French Indo-China. As long as larger issues are in the balance, little Thailand might like to wait and see, profiting from the wooing of both London and Tokyo. If she should jump to Tokyo's side of the fence, revisions of the Singapore scheme will become necessary.

These are the stakes. As the defense of France was based upon the Maginot Line, so the defense of the colonial empirles of eastern Asia is based upon Singapore. The British Government, in the teeth of a strong parliamentary opposition which refused to support this 'colossal folly,' poured its millions into Singapore to stop the march of Japan. At the time the Singapore scheme was born, nearly two decades ago, such a plan appeared quite realistic. Japan was in the process of modernizing her army and navy, her industries were making rapid strides, her markets were expanding, her power was growing fast. It seemed appropriate to build a naval base to check that power. Europe was at peace, and Britain could afford to envisage a clash between herself and Japan which would involve no other nations. Then, as Nazi Germany rose in Europe, the chances of such an isolated conflict in the East became less likely.

Until the outbreak of the European war, Britain was ready to station a full fledged battle fleet, including four or five of her largest units, at Singapore. This is no longer possible. Will the American Navy fill the gap? The risk of such a venture is terrific. With every day, as Japan creeps closer to the equator, the narrow waters around Singapore become more perilous. Japanese airplanes and submarines station at advance bases are likely to hamper the operation of large cruisers and battleships. Battleships are expensive, and the hitting power of Japan should not be underrated. While it is still easy to get into Singapore, it may be difficult to get out of it.

Ex-King Alfonso of Spain Dies in Rome

ExKing Alfonso, exiled monarch of Spain, who was bombed on his wedding day in the streets of Madrid and survived seven other attempts to assasinate him, died in Rome, at 11.51, Italian time, on the morning of February 22, after lying critically ill for the past week. He was 54 years of age. His reign ended April 14, 1931.

Indo-China Capitulates to Japan on Thai Demands, But America and Britain Still Hold Strong Position

Planes zoomemd above Saigon Sunday afternoon and anti-aircraft clattered in mock air raids; papers on street corners urged local French subjects to volunteer for Civil Defense: but Japanese business men and members of the Japanese Mission sat quietly in pavement cafes and disregarded their orders to stand by for evacuation. They watched the feverish blackout and air raid precautions, smiled at its uselessness and drank to a diplomatic victory.

"Vichy already has in principle accepted the Japanese proposals," Commander Yashamura told the **United Press** that same afternoon, "and has instructed the Indo-China Government to conclude details with Thailand and Japan. Vichy also suggested that Indo-China attempt to lose as little land as possible, However, I warn that stubbornness might cause the French to lose still more territory."

With a home government under the heel of the Axis, and with "12,000 Japanese troops at Tonkin, a large Japanese air force at Hanoi, and Japanese warships outside Haiphong and southern Indo-China," according to Saturday's **United Press** reports, the crumbling French colony could do little but hold out, French style, until 24 hours after the zero hour, then capitulate. Vichy's agreement was made official on Monday, and **Havas** reported it to be in the "affirmative" regarding the cession of Laos and Cambodia to Thai-Japanese demands, in settlement of the three months border conflict.

"New Stage In Parleys"

Territory reported ceded included roughly all of Laos west of the Mekong river, three fourths of Kampongthom Province in northern Cambodia, and most of southern Cambodia. Final decisions were still pending, and the French attitude was doggedly indecisive. The official **Havas** report on Monday refused to reveal contents of the reply to Tokyo except to indicate that it should be considered "merely as a new stage of the parleys under way, and the outcome of the peace negotiations cannot be foreseen as yet."

As a Japanese diplomatic victory, the capitulation was no more than what had been obvious for some time, but in view of the recent mobilization of British East Army units along the Malaya border, the victory was increasingly embarassing to Britain. Memories of similar Munich "agrements" were still too fresh in Britsh minds for them not to be aware, as **Reuter** reported on March 1, that "As a result of the solution reported to have been forced on Indo-China, Japan is expected graduallyto increase her hold on the French colony and come to dominate Thailand — which would bring Japan's armies to the very borders of Malaya and Burma."

The value of her new gains to Japan will become manifold when she is able to use the official aspect of the agreement in closing the web around French and Thai economic and military missions, who were invited into the Tokyo parlor several weeks ago, and who apparently have been holding out for more local independence than Japan would like members of the "co-prosperity sphere" to have. Recent trends in Indo-China economic moves have been away from Japanese domination, as for instance the French Chamber of Commerce regulation reserving the right to control imports and exports to Japan, as reported in the **China Weekly Review** last week.

Economic Battle

As the situation is at present, Japan has far too smal a stake in Indo-China and Thailand to remain satisfied, or to be able to wage war on it without doubling or trebling her stakes in order to make it pay. Britain and America have traditionally maintained the leading roles in Indo-China trade and industry. With Thailand, however, Japan has greatly increased her economic relations until she has the dominant role in cotton extiles, mineral oil, and metal exports. The following survey was published in the Tokyo **Nichi Nichi** recently:

"Japan's economic relations with French Indo-China are far from being intimate. Of the total exports in 1937, shipments to Japan accounted for only 4.2 per cent; of her aggregate imports, shipments from Japan not more than 3.2 per cent. French Indo-China's share in Japanese foreign trade is trifling. The 1937 statistics reveal that of total Japanese exports, shipments to the French colony comprized only 0.12 per cent; of total Japanese imports, shipments thereto only 0.7 per cent."

It is obviously this domination of Indo-China's commerce by other countries that Japan has been tempted to change. Even after France capitulated to Germany, and Japan joined the Axis alliance, Indo-China still remained under the domination financially of French capitalists who had fled to London with General Charles de Gaulle. According to the same **Nichi Nichi** account, these financiers "virtually maintain the right to appoint and dismiss the Governor-General and other colonial officials". It is this semi-control through London and indirectly through American interests that seems to have kept theh French obstinate. One of the few remarks that have come from the Japanese press, controlled by the Konoye Information Board, revealing some hint of the present trade negotiations going on in Tokyo, is the following from the **Nichi Nichi:**

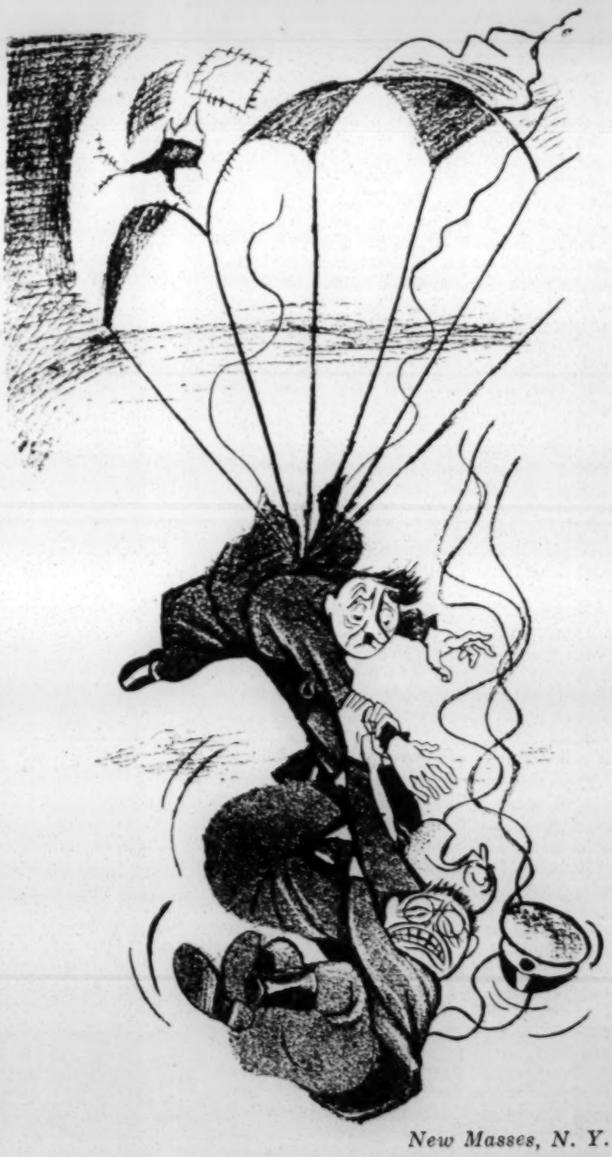
"The influence of such Saigon financiers is reflected even in the divided attitude of French delegates to the Tokyo trade negotiations. For instance, while a delegate from Vichy takes a comparatively conciliatory attitude in full cognizance of the current world situation, the one from Indo-China seems to stick obdurately to his point of view."

New Conditions Emerge

The conditions which these financiers would have to meet now that Japan had the upper hand became pronounced when it was announced soon after that America had "frozen" all Indo-China credits in Washington. Of the estimated 330,000,000 piasters in circulation, America had a deposit covering from 170,000,000 to 200,000,000 piasters. At the same time, Australia is the largest source of provisions, such as wheat flour, milk and butter. An embargo on the part of Britain would mean famine in Indo-China. It is also a matter of Japanese concern that although rice is the largest French Indo-China staple,

(Contiued from on Page 23)

Adolf's "White Man's Burden"



New Masses, N. Y.

China's Famed Silk Industry Faces Slow Strangulation Under Rigid Control of Japanese Monopoly System

SPECIAL CORRESPONDENCE

Famed for centuries throughout the world, the Chinese silk industry centered in Kiangsu and Chekiang today faces slow strangulation under the rigid control of the Japanese monopoly organization, the Central China Silk Company. The fate of the silk trade is typical of all Chinese industries which have come under the domination of the Japanese Central China Development Company and its subsidaries, and in the main, the road to its imminent ruin is much the same as those paths over which other stricken native enterprises have been dragged.

The current hostilities in China brought ruin to many silk filatures, and since the Japanese occupation of South Kiangsu and West Chekiang, the silk industry in these regions has been ruthlessly exploited and converted practically into a Japanese state enterprise. Not only are the Japanese military and business men vitally interested in this industry as a milch cow, it has also been made a subject for minute regulation and control by the Japanese Government organ, the "Asia Development Board."

Chinese silk merchants in the occupied areas see a gloomy future for the silk trade, so long as the present stringent Japanese control continues. They predict that all Chinese operated filatures will have to close down because of the insurmountable difficulty of obtaining raw materials due to Japanese monopoly. With few minor exceptions, only those filatures affiliated or "cooperating" with the Central Silk Company are permitted to operate in the occupied regions. All others have been, or are liable to be confiscated. control Japanese control measures already have vitally affected the silk reeling business in Shanghai, where many of the filatures have been forced to suspend operations.

Compulsory Cooperation

In its heyday, according to silk merchants, the industry prospered in many parts of Central China. At one time, Shanghai alone claimed 112 filatures. Even before the ontbreak of the Shanghai hostilities, silk production was a still thriving business, there being 38 filatures in Shanghai, 50 in Wusih, four in Chinkiang and 16 in various parts of Chekiang Province. During the Shanghai war, nearly seven out of every 10 filatures located outside the foreign settlements were destroyed. Subsequently, damage done to filatures in other war-affected areas of Kiangsu and Chekiang was also considerable.

While determined to ruin the silk industry as a Chinese enterprise, the Japanese since their occupation of the two provinces have taken prompt measures to exploit it. Under the cloak of Sino-Japanese "co-operation and joint management," they have compelled many Chinese factories to resume operation. Thus, early in 1938, there was first established in Wusih the Waiming Silk Factory, but the majority of Chinese factory owners refused to be utilized and preferred to see their plants idle rather than to serve Japanese ends.

Not satisfied with piecemeal control, the Japanese soon mapped out a comprehensive plan for establishing effective control over all places of the industry in Central China. For this purpose, they organized in Shanghai on August 10, 1938, the "Central China Silk Company." The concern was capitalized at Y$8,000,000, divided into 160,000 shares at Y$50 per share. The Japanese were reported to have put up cash capital of Y$6,000,000, while Chinese "investments," mainly consisting of plants, equipment and other assets, amounted to Y$2,000,000. Fifteen Japanese companies, including the Mitsui, Mitsubishi and others have jointly subscribed to the capitalization.

Wide Range of Control

Indicative of the extent and thoroughness of Japanese control over the industry, the scope of business of the Company was defined as follows:

1. Control over and management of all machine-operated silk filatures.
2. Control over the purchase and sale of raw silk in Central China.
3. Control over the production and distribution of silkworm eggs.
4. Control over the collection and purchase of cocoons.
5. Control over all other matters relating to the above.

In addition to these rigid measures, the Central China Liaison Office of the "Asia Development Board" on June 30, 1939, announced a series of stricter and more thorough-going regulotions for the control of raw silk known as the "Outline for the Direction and Control of Silk Enterprizes in Central China." These regulations, among other matters, provide for placing all Chinese silk factories in the occupied areas under the control and operation of the Central Silk Company, which is also granted the exclusive right to trade in raw silk. To suppress Chinese competition, the "Outline" regulates that private Chinese interests engaged in silk reeling business may not buy cocoons except through the "Central China Silk Company," and may not operate more than 20 wheels.

Under these conditions, the Central China Silk Company has established control over most Chinese silk filatures in the occupied areas. The assets of these factories were forcibly bought over by the Company at an arbitrarily fixed price, usually about 10 to 20 per cent of their original worth. What they got in return was nothing but shares issued by the Company, which are viewed as the price for Japanese "co-operation and management." Thus, the Company during the past few years has absorbed 21 Chinese filatures in Wusih, Soochow, Hangchow, Haining, Kashing and Shanghai (outside the foreign settlements) respectively.

Labor Exploited

At the end of November, 1939, these factories operated some 7,000 reeling machines and employed 15,000 workers. In the middle of 1940, the number of workers was increased to 20,000. The Japanese have ruthlessly exploited Chinese labor. According to investigations made last year, the working time for mill hands last summer totalled 11¼ hours a day. Allowed only one hour and three quarters for meals, they were made to toil ceaselessly from 5:30 a.m. to 6 p.m. In return for their labor, they were given fifty-five cents a day for skilled and 15 cents for unskilled hands! The average wage for each worker amounted to only a little over 30 cents a day. In terms of amount, the wage was much lower than that paid by Chinese filatures before the war. In terms of the prevailing high cost of living, it is almost next to nothing. Meanwhile, the "Central China Silk Company" strictly prohibits small Chinese factories operating less than 20 wheels to raise the scale of pay, lest experienced workers be attracted by better wages and quit its factories.

In addition to the absorption of Chinese factories, the Central China Silk Company likewise has established a monopoly over the production and purchase of cocoons and silkworm eggs. By financing Chinese cocoon raisers and entering into "cooperation contracts" with them, the Company was able to obtain last year 1,701,000 piculs of cocoons. The Company also maintained its own cocoon collection stations in Wusih and other silk-producing centers.

Similar methods were adopted by the Company in the control of production and distribution of silkworm eggs. Before the war, there were more than 100 silkworm egg raising farms in various parts of Central China. By the end of 1939, some 129 Chinese silkworm egg raising farms had signed "co-operation contracts" with the Company. These farms, 95 in Kiangsu and 34 in Chekiang, were capable of producing 3,375,000 sheets of eggs. In Spring of 1940, an order for 1,890,000 sheets placed by the Company was filled.

The Japanese monopoly over the silk industry in Central China has enabled them to reap huge profits during the past few years. According to the balance sheets issued by the "Central China Silk Company," the profits realized for the following two periods were:

First Period: August 10, 1938 to March 30, 1939, the net profits were Y$1,358,533.

Second Period: April 1 to August 30, 1939, the net profits were Y$3,720,000.

According to these figures, the total amount of profits for the two periods approximated Y$5,000,000. For a company capitalized at nominally Y$6,000,000 to make a net profit of Y$5,000,000 in the course of a year, it is indeed astonishing, but in the light of the vast expenditure involved in Japan's war in China, the amount seems but a drop in the ocean.

Chinese Red Cross Carries on in Face of Lack of Medical Supplies and Trained Personnel, Looks Forward to 1941

SPECIAL CORRESPONDENCE

In face of numerous difficulties and severely handicapped by the lack of adequate medical supplies and personnel, the National Red Cross Society of China, under the direction of ex-Chinese Ambassador to America, Dr. C. T. Wang, recently concluded another year of capable wartime service in 1940.

At the 24th annual conference of the Society held in Hongkong recently, activities during the past year, particularly those services rendered by its Field Relief Corps, directed by Dr. Robert Kho-seng Lim, were reviewed and plans for expanding its scope of work and and enhancing its efficiency laid down for the present year. A budget of NC$9,600,000 and HK$360,000 was adopted to finance the Society's activities.

Presided over by Dr. C. T. Wang, President of the Society, the conference was in session for two days, February 15 and 16, and was attended by leading members of the Society's Executive and Supervisory Committees. Prominent among those present were Dr. W. W. Yen, former Chinese Ambassador to Soviet Russia; Mr. Hsu Shih-ying, Acting Chairman of the National Relief Commission; Mr. Tu Yueh-seng, Shanghai banker, and now Commissioner of the Ninth War Relief Area; Mr. Wang Hsiao-lai, Chairman of the Chinese Chamber of Commerce in Shanghai; Mr. Yeh Kung-cho, former Minister of Communications; Mr. S. U. Zau, of Shanghai, and others. Dr. Robert Lim made a special trip by air to Hongkong from Kweiyang to attend the meeting and reported on field relief work.

A brief review of the administration, finance and other affairs of the Society was given by Dr. C. T. Wang during the conference. He explained that as circumstances demanded, the Headquarters of the Society had been removed from Hongkong to Chungking, and a branch office had been established in Rangoon to take care of the transportation of medical supplies to the interior consequent upon the changed situation in Haiphong. He revealed that Red Cross workers last year reached a total of 1,785, including administrative officers, doctors, nurses, relief workers, technicians and truck drivers.

Relief Work Carried Out

Dr. Wang said that medical relief work had been carried out by the Field Relief Corps in the war zones with satisfactory results. Additional transportation facilities had been organized in districts where communication lines were lacking, while pack animal units formed for transportation on the Burma Road.

To eradicate disease-bearing fleas, Dr. Wang further stated, a total of 142 anti-flea stations had been established in scattered areas. In addition, eight medical units had been formed for First Aid Service in Szechwan. Besides the establishment of several hospitals, the Society had rendered considerable financial assistance to other hospitals for development and expansion.

Dr. Wang paid a glowing tribute to the National Red Cross Society of America for their generous donations. He said that the Society had received through its Hongkong Office 2,060 cases of medical supplies contributed by people abroad. The figures did not include those received in Rangoon. Apart from a small portion distributed to various charity organization in Hongkong, most of the supplies were shipped to the interior. Of the 2,060 cases received, 1,150 were from the United States 799 from the Netherlands East Indies, and the rest from Hongkong, Panama, Shanghai, Philippines, and Australia.

Income Detailed

Turning to the finances, Dr. Wang stated that the Society's income for the past year amounted to NC$9,267,238.65 and HK$272,016, while its expenditure totalled NC$5,347,713.93 and HK$714,-156.41. Of the income, NC$132,400 represented subsidies from the National Government, NC$17,940.80 membership fees, and NC$9,116,897.85 and HK$272,016.04 were contributions from people at home and abroad. The largest single amount NC$8,544,925.31, representing 95 per cent of the total, came from the Chinese in the Netherlands East Indies.

The Conference fixed the Society's budget of expenditure for the current year at NC$9,600,000 and HK$360,-000, of which NC$8,056,800 are earmarked for busines expenses, NC$246,000 and HK$102,000 for administrative expenses, NC$282,000 and HK$96,000 for transportation, uniforms for Red Cross Workers, and publicity work. Other expenses provided for include subsidies for relief work at NC$240,000 and HK$6,000 and the incidental expenses at NC$175,200. and H.K.$156,000. The reserve fund was fixed at NC$600,000.

Training Scheme

Another decision reached at the Conference was to train a competent personnel for medical relief work. For the first year, five doctors and 10 nurses will be trained at an estimated expenditure of NC$178,000. In order to better meet the wartime needs, the organic system of the Society was revized. It was also decided to create a Youth Department and a Women's Department with a view to encouraging overseas Chinese youths to participate in Red Cross work.

The Society is embarking upon an ambitious plan for the establishment of a large modern Red Cross Hospital in Free China, for which purpose it has been decided to designate the Double Tenth Anniversary this year as Red Cross Week to launch a campaign to raise NC$5,000,000 to finance the project.

Medical relief work in Free China was carried on last year under severe handicaps, according to Dr. Robert Lim. The chief difficulty, he said, remained insufficiency of doctors and nurses despite the fact that Red Cross work had been placed on an organized and systematic footing. Aside from the urgent demand for a larger medical personnel, Dr. Lim said, there was also dire need of a continuous supply of medicine. He expressed the hope that more contributions would be forthcoming in the present year.

Work Outlined

Outlining the Red Cross relief work, Dr. Lim said that with headquarters in Kweiyang, there were more than 100 relief units scattered at key points in the rear and at the front. Each unit comprised one doctor, two nurses, four dressers and about 10 stretcher-bearers and orderlies. A plan was now being worked out whereby the number of these units would be increased so that there would be at least one unit attached to an army. This plan was expected to be realized in the current year.

Dr. Lim revealed that there were over 20 foreign volunteer doctors among the Red Cross relief units. Sent to China by the China Campaign Committee, they included Poles, Rumanians and Hungarians who formerly served in the late Civil War in Spain. Their role in this country was largely to help train the relief personnel. Dressed in Chinese army uniforms, they lived a simple and austere life devoid of all comforts and without any complaints.

To solve the problem of the insufficiency of medical personnel, Dr. Lim said, training centers had been established in almost every war zone. Each center was provided with a training hospital, and between 300 to 500 candidates were under training for a period of three months.

One of the cardinal problems being tackled by the Red Cross, Dr. Lim continued, was the prevention of epidemic diseases. He revealed that while the number of wounded soldiers had been reduced to one-third as compared with the figures at the outset of the current hostilities, that of sick soldiers had mounted. Free China, however, was now able to supply enough vaccines and sera to practically all the armies, and cholera no longer was an important issue.

Drugs Standardized

Dr. Lim further disclosed that a standardized list of drugs has been worked out by the Red Cross in order to prevent complications arising from doctors trained in different countries prescribing different kinds of medicine. He also revealed that with a limited number of ambulances and other means of conveyance, the Red Cross was facing great difficulties in the transportation of medical supplies and relief personnel.

Reviewing the Red Cross relief work from 1938 to June, 1940, Dr. Lim said that more than 42,000 operations had been performed by Red

Cross surgeons and over 3,800,000 dressing cases attended to. The number of sick civilians treated during the same period reached 659,041. More than 11,000,000 doses of anti-cholera serum were administered to soldiers and civilians and over 33,000,000 quinine tablets were issued.

Problems of medical relief and medical reconstruction in China were also discussed by another medical authority, Dr. F. C. Yen, former Director of the National Health Administration, in an address delivered at the Hongkong University recently. Dr. Yen said that medical reconstruction, as one of the phases in the general national reconstruction program adopted by the Chinese Government at the outset of the current hostilities in conjunction with the policy of resistance, had been vigorously pushed ahead during the past two years.

Two Important Tasks

In this phase of the reconstruction program, Dr. Yen mentioned two important tasks, care of wounded soldiers and civilians, and control of epidemic diseases. He estimated that there were now more than 300,000 beds for wounded soldiers alone in Free China, apart from a greater number of beds for wounded and sick civilians. Regarding control of epidemic diseases, he particularly mentioned anti-malarial work in Yunnan and along the whole length of the Burma Road. He revealed that a five-year plan for the control of the disease, which had been responsible for depleting the population in many districts in Yunnan, was being carried out in collaboration with the League of Nations, public health experts sent from the United States and the Rockefeller Foundation. Along the Burma Road passing through malaria-infested districts, a unified medical service in the charge of Dr. Wu Lan-shen had been organized.

In addition to the anti-malaria plan, Dr. Yen stated, a three-year program for malaria research and control also, was being carried out. In combating other forms of epidemic diseases, Dr. Yen disclosed, some 100 mobile medical units are now operating in scattered parts of Free China, Health stations have been set up on various highways to give mass innoculations and injections.

Two Plants Started

Dr. Yen declared that China was now self-sufficient in the supply of vaccine and sera. Plants for the manufacture of the two medicines have been set up in Kunming and Lanchow, while a plant for making narcotic drugs has been established in Chungking. A plan for the manufacture of 104 fundamental medicines with materials obtained locally has been worked out, and plants for making 60 of them are already operating in Chungking, Kweiyang, and Chengtu.

In the field of medical education, Dr. Yen said, three centers, in Kunming, Chengtu and Kweiyang, had been established, each with three or four medical schools imparting medical knowledge to students. Dr. Yen specially mentioned the development of State Medicine which, he said, was aimed at offering maximum services with minimum expenditure and resources. First introduced in Kiangsi after the suppression of the Communists there, he added, this type of medicine had made marked progress in Free China during the last two years.

For the promotion of health and sanitation throughout Free China, Dr. Yen said, a system had been worked out, whereby health administrations, stations and sub-stations had been established in each province, hsien and village respectively. To isolated localities, health workers were sent for practical services. By way of illustration, he revealed that in Hunan alone, there was a health center in every hsien, while in Kweichow similar centers had been established in 30 hsien. It had been planned to set up such centers in all hsien in every province in Free China.

Bridges Must Face Another F.B.I. Hearing

Harry Bridges, West Coast labor leader, must appear before an examiner of the U. S. Federal Bureau of Investigation at San Francisco, on March 31, for a further hearing under the immigration naturalization service. Bridges went to the United States from Australia several years ago, but failed, until recently, to take out naturalization papers. At a previous hearing, Mr. Bridges was charged with communistic activities, but was exonerated. In the present hearing, Robert Jackson, Attorney General, said that "new and additional" evidence would be presented at the hearing. The fact that Bridges must face charges which may result in his deportation, was thought to be responsible for his action in mid-November in ending a 14-months' labor dispute which was responsible for much bitterness between employers and the International Longshoremen's Warehousemen's Union. The settlement of the dispute was described as the most important event in West Coast labor circles since 1934. The settlement provided for a wage increase of US.05 cents an hour straight time and .10-cents for overtime, effective Feb. 1; semiannual wage reviews; introduction of labor-saving devices, but longshoremen may request a wage increase when their earnings are injured; creation of a coastwise labor relations committee to serve as Court of Appeals; appointment of arbitrators' agents at each port to proceed immediately to any ship of dock where trouble develops. Bridges sudden change of attitude was thought to be due to the new hearing he must face and also to his loss of popularity resulting from his bitter pre-election attack on President Roosevelt, which was opposed by a majority of the men. According to **Business Week**, Bridges probably will continue his leadership, however, despite changed sentiment in the rank and file. J. Edgar Hoover, director of the Federal Bureau of Investigation, said that evidence he had collected, "was sufficient to justify Bridges' deportation and also the outlawing of the Communist Party." Bridges replied to this by saying, "Hoover is lying and knows it."

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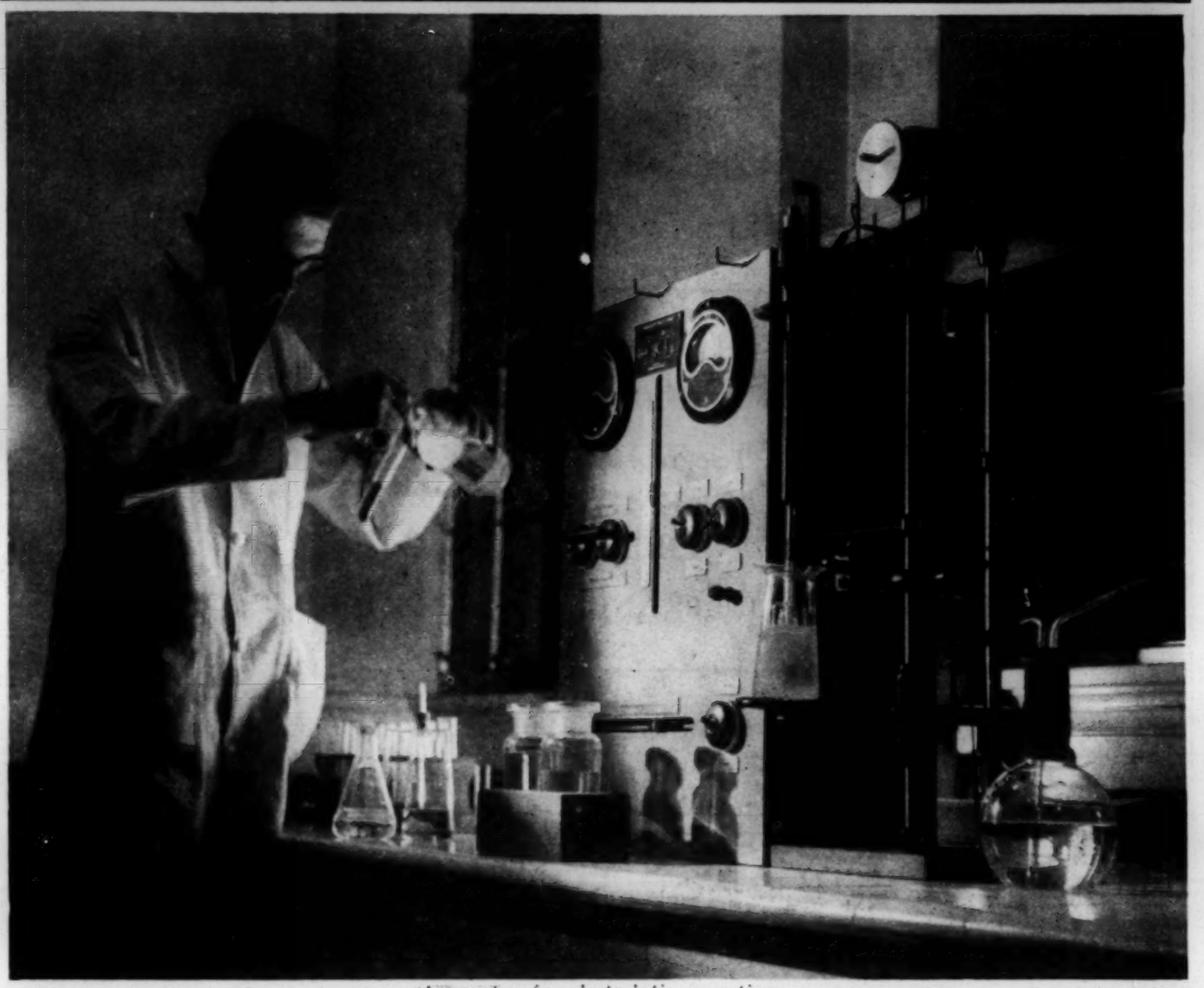

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Shanghai Western Area Special Police Force Now Due To Be Inaugurated March 15; Terrorism Continues

With the date for the inauguration of the Western Area Special Police Bureau finally set for March 15, and with clear warnings from Shanghai Municipal officials, from the French Concession officials, and from Japanese officials that terrorism and gambling evils must cease, Shanghai last week appeared to be girding its loins to stamp out what in the past two months has become one of the blackest marks on the city's history of terrorism.

From reliable sources it was learned that Mr. Pan Chih-chieh, Commissioner of the Special Police Force, had notified Mayor Chen Kung-po that all preparations for the inauguration of the new crime prevention division had been completed. It was expected that March 15 would see the actual opening of the bureau, which has been the result of Mayor Chen's promise to rid the Western District of all vices, including gambling and opium dens. As an early consequence, it was reported in the Shanghai **Mainichi** last week that the Shanghai Municipality order for the closure of all gambling dens in Nantao had taken effect, and only a few were still open, the report said.

Determination to stamp out terroristic acts directed against Japanese was expressed in a statement last week from the Japanese Special Naval Landing Party. As reported by **Domei**, the statement asked for further cooperation from Japanese residents, and mentioned the total number of 42 terrorists who have been arrested in the recent drive. Among the suspects being held are believed to be the murderers of Captain Ishibashi, assassinated last November 24, and Surgeon-Lieutenant Masao Nomura, killed December 16, and suspects who will clear up many other such unsolved cases.

Despite such activity, however, Shanghai still had its round of terrorism and crime this week. On Monday, Nanking Road was the scene of an attempted assassination of Mr. Fu Yung-ping, assistant secretary of the Nanking-sponsored Central Reserve Bank. The gunman shot Mr. Fu and wounded him during the lunch hour rush, but was himself caught by two Japanese civilian passers-by. The Japanese felled the gunman with blows on the head. Mr. Fu was but slightly wounded, and was able to leave the hospital after minor first aid.

Judge Kidnapped

On Tuesday, Dr. Hsu Wei-tseng, presiding judge of the Second District High Court, was kidnapped by five men armed with Mauser pistols. He was hustled away from in front of his home on Route Voyron in the French Concession at about 6 p.m. by the gang, who used his car after compelling the chaffeur and Mrs. Hsu to get out. These two crimes seem to be follow-ups of other terroristic activity, since it will be recalled that the Central Reserve Bank was bombed on February 20, and two of the District courts were the subject of hand-grenade attempts the week earlier.

Another shooting fray resulted in the death of Li Hong-fah, shot and killed while walking along Canton Road March 1. The alleged gambling den owner died instantly from two bullets in the head and chest. His assassin escaped. Later reports denied he was connected with gambling, but was a "medicine" broker.

Other highlights of the week's crime calendar included the following:

A free-for-all between two gangs of loafers at the Ambassador Ballroom on Avenue Edward VII late during the night of February 27. Tables, chairs, and dishware articles were smashed when Li Young-ding, motor-car representative visited the place with a mob of belligerent thugs. Lieu Wan-foo, floor manager of the Sallroom met him with a gang of his own, and the melee ensued.

A mysterious murder in the Carlton Hotel the same day, in which a Chinese servant was stabbed to death and an Indian merchant jumped out of the window to escape three alleged Japanese subjects, who were being sought by police without success.

Gang Arrested

A timely tip-off received by the Municipal Police on Monday which resulted in the arrest of five gangsters who were preparing to kidnap a wealthy Chinese named Tai. The police were able to trap the gangsters as they were about to accomplish their crime.

A further round up and evidence against a kidnapping gang allegedly responsible for abducting Mr. Percy Chu, well-known Chinese banker on November 29. Fresh evidence was heard at the First District Court hearing on Monday.

A raid by Vice Squad men in which a 14 year-old girl was saved from a brothel, and the woman responsible was brought before the District Court on morality charges.

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(Continued from on Page 17)

and can be adequately utilized by Japan, the gunny sacks for shipping it are available only from British Malaya.

The Japanese stake in the South Seas area is surprisingly extensive, however, when the many other other islands and trade depots are considered. How adequately Japan has succeeded in circumventing Singapore, and how thorough will be her economic chain when Indo-China is fully controlled, is obvious if the following twenty key Japanese projects be located on a map. They are lined up by investigators for Business Week Magazine of October 26, 1940, and show the extent of Japanese commercial enterprises to that date.

1. Japan-Netherlands Fishery Company, Menado, Celebes. Capital 100,000 yen.

2. 1,500 Japanese fishermen at Singapore account for one-half of the total catch in southern Malaya.

3. 120 fishing boats in the Philippine Islands. Largest Japanese concern, Nanyo Suisan Kaisha, capitalized at 500,000 yen, but Filipinos own 60 per cent of the stock.

4. Borneo Fishery Company, capitalized at 2,500,000 yen, and is the largsst fishery products enterprise in British Borneo.

5. Buton Pearl Company on Buton Island, Celebes, N.E.I.

6. Six Japanese rubber companies operate plantations in Sumatra.

7. Five Japanese rubber companies operate plantations in Malaya. Total Japanese investments in rubber plantations amounts to 85,000,000 yen. Total area leased by the Japanese is 700,000 acres. Annual production is 12,000 tons.

8. Three Japanese rubber companies are operating plantations in British and Dutch Borneo.

9. Borneo Petroleum Company, jointly financed by Mitsui Bussan Kaisha and Nippon Petroleum, recently struck oil after ten years of prospecting.

10. Mitsubishi Mining Company and South Sea Mining Company, operate one tin mine in Thailand.

11. The Ishihara Industry and Navigation Company, the Nippon Mining Company, the South Sea Iron Mining Company, and the Iisuka Iron Mining company, all purely Japanese concerns, monopolize bauxite, iron, and manganese in British Malaya. Shipments of Bauxite to Japanese refineries last year reached the record figure of 84,400 tons, of managanese, 31,000 tons, of iron ore, 1,950,000.

12. The Nippon Mining Company has been exploiting tungsten reserves on Palawan, Philippine Islands since 1937.

13. The Ishihara interest are operating iron mines at Surigao, Philippine Islands.

14. The Indo-China Development Company, a subsidiary of the Formosa Development Company, has been exploiting iron deposits in French Indo-China since 1938.

15. A 10,000,000 yen concern is projected by Japanese fertilizer interests to exploit the apatite mines or Laokay, in northern Indo-China. The Indo-China Rock Phosphate Company, South Sea Development subsidiary, is already in this business.

16. In 1937 the Nippon Mining Company invested 5,000,000 yen in an iron property in the Yampi Sound, northwestern Australia. The enterprise is capitalized at 10,000,000 yen, the balance being held by the British mining firm of Brassert and Company.

17. In March, 1937, Hyogoro Sakurai, the Minseito party in Japan, interpelated by the Japanese government on the desirability of obtaining a perpetual lease on Dutch New Guinea .

18. In Celebes, and the Philippine, the Japanese-owned Trade Mining Company is exploiting gold and silver mines. A mica mine is also controlled by Japanese interests.

19. Rumors of Japanese plans to buy the Portugese part of Timor have repeatedly alarmed the Dutch, British and Australian government since 1925.

20. The nickel deposits of New Caledonia have attracted Japanese investors since 1938. The Nouvelle Calidonie Mining Company is the largest Japanese-controlled interest, with investments totalling 3,000,000 yen. The Franco-Nisso Mining Company, capitalized at 2,000,000 francs, is fully controlled by the Nippon Soda interests. A third fully Japanese-controlled outfit is the Taiyo Mining Company.

Senator Wheeler Warns Against Propaganda

Senator Burton K. Wheeler, chief opponent of the Aid-to-the-Democracies (Lend-Lease) bill now under consideration in the U. S. Senate, declared on March 1 that the American people "were being lured into disaster by propaganda engineered by the same international bankers who got us into the last war." Then after stating that he hated Hitler and Hitlerism, Stalin and Communism, Mussolini and Fascism, the Senator denounced the so-called international capitalists, including the Thyssens and Krupps in Germany, Morgans and Warburgs of the United States, Rothchilds of Europe and the Sassoons of India and China. He declared that the Lend-Lease Bill "constituted a monstrosity full of deadly poison gas for the future of the United States."

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Shanghai's Industrial Position During Final Quarter of 1940 Reviewed; Cotton Mills Show Improvement

BY FREDERICK FANG

The position of Shanghai's leading industries during the last quarter of 1940 is summarized in the following review:

A notable improvement in the situation of cotton mills was registered in Shanghai during the last three months of 1940, as compared with the previous quarter (**Review**, December 7, 1940), a number of factors contributing to their betterment. Chief among these factors were:

In order to stabilize the price of cotton yarn in Chungking, Kunming and other leading cities in Free China, the authorities permitted the import of large quantities of cotton yarn from Shanghai;

This export of cotton yarn from Shanghai to Free China was accelerated by the reopening of the Yunnan-Burma Highway in the latter part of October;

Increasing activity in the cotton yarn and cotton cloth markets in Shanghai because of the presence of large sums of idle capital;

Increased demand for Shanghai cotton goods in the leading cities along the Yangtse River; and

Establishment of the "Central Reserve Bank" by the Nanking regime.

In the period under review 64 cotton mills operated in the city, with a total of 2,175, 290 spindles and 26,496 weaving machines. In October, total production of cotton yarn was 74,150 bales, in November, it was 75,547 bales, and in December, 75,205 bales. It is interesting to note that in October, production of cotton yarn by Chinese and British mills in Shanghai increased, while that of Japanese mills decreased, but in December, production by Chinese mills decreased and Japanese and British mills increased. Japanese mills curtailed, operations by more than 50 per cent during the quarter, while British mills cut operations by over 30 per cent and Chinese mills around five per cent. Production of cotton cloth amounted to 1,113,772 pieces in October, 1,163,724 pieces in November and 1,148,017 pieces in December.

In October, 145,738 bales of cotton yarn changed hands in the local cotton goods exchange, because of large demands by the Kwangtung and Hongkong merchants. In November, there were more demands from North China, Chekiang, Kiangsu and the South Sea Islands, but the activities of the cotton mills were disturbed more or less by labor disputes. Total turnover in the local market was 142,874 bales of cotton yarn. In December, there were more demands from Hongkong again and total turnover for the month was 138,482 bales of yarn. During the three months, local speculators bought 380,767 bales of cotton yarn. Hongkong bought 43,450 bales, Chekiang merchants 838 bales, 1,341 bales went to the interior and 545 bales to the north.

Total turnover of cotton cloth in the three month period was 61,650 bales, of which local speculators took 29,950 bales, Chekiang merchants 5,700 bales, the Northern merchants 4,750 bales, and Fukien merchants 1,920 bales.

During the same period, 297,404 piculs of raw cotton changed hands, of which 99,277 piculs were native cotton or 24.8 per cent of the total turnover of raw cotton. That less and less native cotton was transacted in the local market was due mainly to the tightening of control of export of cotton from the occupied areas of Central China by the Japanese authorities. In the three months period, Shanghai imported 325,191 quintals of foreign cotton, representing a decrease of more than 100 per cent when compared with the third quarter of 1940. The following tables give the total turnover of cotton yarn, cotton cloth, and cotton as well as the import of raw cotton, and the export of cotton yarn and cotton cloth in the last three months of 1940:

COTTON

	Turnover (Piculs)	*Stocks (Piculs)*
1940		
October	182,978	493,000
November	67,600	485,000
December	146,826	446,000
1939		
October	119,688	347,000
November	161,264	337,000
December	218,778	249,000

COTTON YARN

	Turnover (Bales)	*Stocks (Bales)*
1940		
October	145,738	285,000
November	142,714	280,000
December	138,482	280,000
1939		
October	38,485	120,000
November	51,151	130,000
December	—	153,000

COTTON CLOTH

	Turnover (Bales)	*Stocks (Bales)*
1940		
October	31,070	72,500
November	12,080	53,300
December	18,500	49,000
1939		
October	10,050	73,000
November	18,850	49,000
December	—	54,000

IMPORT OF FOREIGN COTTON

	Quantity (Quintals)	*Value (C.G.U.)*
1940		
October	129,274	4,433,177
November	50,042	1,738,610

Nearly Four Millions Raised By Chungking In Drive To Raise Funds In Aid of Soldiers

BY WILLIAM CHANG

Clear evidence of the fighting spirit of the people of Free China was given in the enthusiasm and the zeal with which they responded to the drive held in Chungking recently to raise funds in aid of defenders. A total of $3,989,033.78 and H.K.$300 was raised during the three-day rally between February 17 and 19, and all classes alike participated in the "offer-gold" call.

Chungking's financial circles, represented by thirty leading banks, led the campaign by contributing $2,354,026.30 on February 19. Mr. Tai Chi-tao, President of the Executive Yuan, was the highest individual donor, giving three months' salary and allowances plus $10,000 raised from sales of his calligraphy and drawings.

The grand total donated to the fund was nearly four times the $1,000,000-quota set for Chungking. This amount did not include donations to Chungking from outports, figures for which were not reported when the statistics were made up.

Youths' Fine Effort

Industrial and commercial groups in Chungking took second place in the final result by donating $502,676.77. Youths in Chungking were next, marching to the reception platform with a total of $500,300. In a close contest between cultural and women's organizations in Chungking, the former finally won fourth place by a narrow margin of $4,080.85, their contributions being $167,222.60 and $163,141.75 respectively. Farmers and laborers set a brilliant record in the campaign by pouring $132,000 on to the platform. Party and political organizations closely followed by donating $124,740.89. Chungking's communications organizations and workers donated $21,158.58 and held the eighth place.

The first day's collections were $612,-799.56. They were $556,980.48 and H.K.$300 for the second day. Contributions for the third day amounted to $2,818,253.74, which figure sent the three days' grand total up to $3,989,033.74 and H.K.$3.00.

O. S. Liu Gives $10,000

Mr. Yu Fei-peng, director of military supplies and transport, and Mr. O. S. Liu, local industrialist formerly of Shanghai, tied for second individual place by each contributing $10,000 to the fund. Dr. Sun Fo, President of the Legislative Yuan, took third place by donating $1,000. General Ho Ying-Chin and General Pai Chung-hsi, Chief of Staff and Deputy Chief of Staff of the Army, donated one month's salary each. Abbot Tai Hsi contributed $967.

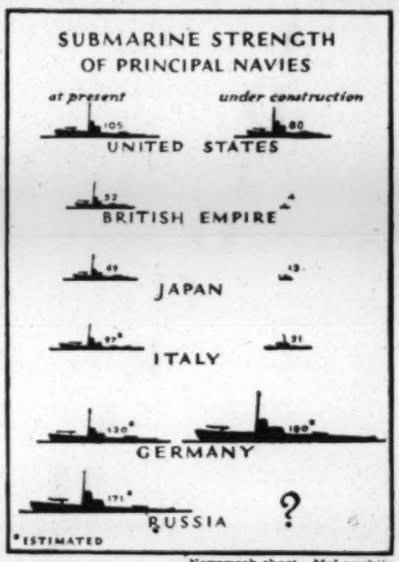
Of the groups, the Central Bank of China, the Bank of China, the Bank of Communications, and the Farmers' Bank of China headed the list by donating $130,000 each, followed by the Postal Remittances and Savings Bank which contributed $110,000. Among industrial and commercial firms, the Yui Hwa Cotton Mill led others by contributing $100,000. Yu Foong Cotton Mill took second place with a donation of $55,000.

Share The Hardships

In its propaganda work, the campaign committee emphasized voluntary contributions instead of arbitrary subscriptions. Before the competition was opened, Generalissimo Chiang Kai-shek told the people to "share the hardships" with the soldiers who were suffering terrible privations at the front. He exhorted high officials, big businessmen wealthy people to "show their conscience" by generous contributions to the fund. His exhortations brought gratifying results in the competition. While the competition was marked by warm suport and zeal throughout the three days, the highest pitch of enthusiasm was reached on February 19 when the platform was turned over to a patriotic firm of auctioneers for bidding from groups and individuals. While expessing appreciation and gratitude on behalf of the soldiers to all participants, officials of the campaign especially thanked the poor people of Chungking who did their best by donating the most they could spare to the officers and men fighting at the front.

U.S. Building 80 New Submarines

The United States Navy Department is speeding construction on 80 submarines, largest number ever constructed at one time in the history of the country. The boats are being built largely on standardized lines, are of about 1,450 tons surface displacement, with heavy



Newsweek chart—McLaughlin

torpedo tubes capacity, capable of traveling 15,000 miles and with a speed of 17 to 20 knots on the surface and 8 to 9 when submerged. The submarine Grampus, launched early in January, was the sixth of this type to come off the ways since September 4, last year. It carries six torpedo tubes forward and four aft, with two torpedoes for each tube and in addition carries a 3-inch gun and one anti-aircraft machine gun. The U. S. has 105 submarines, but mostly they are out-dated, having been built during or immediately after the world war. The accompanying chart indicates the submarine strength of the various nations.

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More Fake Money In Occupied Areas

The above are illustrations of a genuine and a false $1 bill, the genuine bill, issued by the Central Bank of China being shown on the left. The other note, printed on cheaper paper in imitation of the genuine note, is a clever advertisement issued by the Nanking group and the Japanese for the purpose of promoting the "peace movement," or submission to the Japanese invaders. The reverse of the imitation note contained in the center a statement by the Japanese and the Nanking puppet regime urging the Chinese to cease resisting the Japanese and submit to Nanking.

December	145,915	4,754,116
1939		
October	88,776	2,341,732
November	84,193	2,488,650
December	143,715	4,625,323

EXPORT OF COTTON YARN

1940	*Quantity (Quintals)*	*Value (CNC$)*
October	25,398	15,538,376
November	4,610	2,290,187
December	3,755	2,234,998
1939		
October	17,710	3,757,586
November	9,159	3,448,154
December	30,553	12,489,963

EXPORT OF COTTON CLOTH

1940	*Quantity (Quintals)*	*Value (CNC$)*
October	2,392	1,775,639
November	2,207	1,842,174
December	1,679	1,450,504
1939		
October	2,812	1,017,942
November	2,281	1,702,025
December	4,251	1,764,009

Tungchow cotton was sold in October from $192.00 to $235.00 per picul, but in December 1940, the price ranged from $221.30 to $237.50. In December, 1939, Tungchow cotton was only $152.00 to $180.00 per picul. As to cotton yarn, the price of 20's "Double Horse" was from $1,075.00 to $1,302.00 in October, but in December, 1940, it as at $1,207.00 to $1,363.00 per bale. The price of 20's "Double Horse" cotton yarn in December, 1939, was from $670.00 to $766 per bale. In cotton cloth, 12 lb. "Ta Pung" was sold from $32.50 to $35.50 per piece in October, but in December, it was $35.00 to $39.50 per piece. In December, 1939, the price was only $21.00 to $23.25 per piece. That prices increased tremendously when compared with December, 1939, was due to the general increase of commodity prices as well as the slump of the Chinese dollar. The activities of the speculators in control of large sums of idle capital contributed to the increase of commodity prices in general.

Silk Filatures

Business conditions in Shanghai's silk filatures in the period under review were slightly better than in the third quarter of 1940, as small quantities of native silk were purchased from Hangchow, Kashing and Huchow. A number of filatures were suspended and converted into ordinary godowns while others removed their machines to the occupied areas of Kiangsu and Chekiang, where cocoons were available.

In October and November, seven filatures, Ho Fung, Ta Lung, Ting Sin, Hung Ta, Ta Yu, Shanghai, Lien Chong were working in the city, with a total of 1,229 reeling machines. The Hung Yu and Lien Chong filatures suspended operations in December, while the Lien Yuan and Ewo filatures resumed operations, the total number of reeling machines in operation in December being reduced to 1,121. In addition to these filatures, a number of Japanese filatures continued to operate in the Hongkew area, with a total of 1,900 reeling machines. Total production of silk of these filatures average 1,500 piculs a month.

By the end of December, 1940, no fewer than 23 filatures closed their doors, with little hope of operations, being resumed in the near future. They were the Chien Yeh, Hung Fung, Yu Fung, King Yuan, Mei Lung, San Yi, Tai Shun, Lien Chong, Hung Yu, Chien Chen, Heng Cheng, Lien Sen, Shun Yuan, Hwa, Lum, Li Ta, Yu Lum, Shun Chin, Tung Yi, Teh Fung, Yu Ho, Chia Ting, Chen Lum. These filatures had a total of 2,000 reeling machines.

In October, export of silk dropped to $22,000,000, in November, it dropped further to $19,000,000, and in December was only $6,000,000.

According to Customs reports, 610,889 kung ching of silk were exported during the three months, representing a decrease of 25.5 per cent when compared with the third quarter of the year. Total value of silk exports during the period was $48,156,714, or a total of $55,659,819 when all other kinds of silk were included, representing 22.3 per cent of Shanghai's total exports in the last three months of 1940.

SILK EXPORTS

1940	*Quantity (Kung Chin)*	*Value (CNC$)*
October	291,162	22,777,090
November	235,758	19,370,230
December	83,519	6,009,394
1939		
October	230,417	12,867,502
November	340,291	20,098,688
December	259,988	15,514,155

The price of silk during the period averaged about $4,800 per picul.

Although the Fukien and Chekiang coasts were blockaded by the Japanese, the reopening of the Yunnan-Burma Highway and development of new markets in the South Seas increased the activities of the silk weaving mills in Shanghai during the last three months of 1940. Over 200 silk weaving mills operated during that period, with their production increased by 25.8 per cent when compared with the third quarter of the same year. Business in December was good. Total production of these mills in the period was 187,711 pieces, of which 124,746 pieces were artificial silk piece goods, 52,554 pieces were artificial silk and real silk piece goods and only 9,205 pieces were pure silk piece goods.

The export of silk piece goods in the period increased by 77 per cent when compared with the third quarter of the year. The following tables show the import of artificial silk and the export of silk piece goods in the last three months of 1940:

ARTIFICIAL SILK IMPORT

1940	*Quantity (Kung Chin)*	*Value (CNC$)*
October	867,447	604,964
November	151,480	142,436
December	692,299	602,620
1939		
October	188,488	119,038

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November	177,967	115,551
December	201,532	135,720

SILK PIECE GOODS EXPORTS

1940	*Quantity (Kung Chin)*	*Value (CNC$)*
October	91,472	2,911,982
November	93,168	3,186,819
December	105,041	3,064,591
1939		
October	126,970	1,942,489
November	112,533	2,151,546
December	98,153	1,742,037

Woolen Mills

The general condition of woolen mills was not as good as that of the second quarter but far better than the third quarter of 1940. Thirty-six woolen mills continued operations during the period and production in October was 85 per cent, in November 92 per cent and in December 89 per cent, when compared with January of the year.

During the period, the woolen mills faced the problem of securing sufficient raw materials as well as exporting their manufactured products because of Japanese blockade. During the period, Shanghai imported 533,100 kung chin of wool valued at 1,187,475 customs gold units, representing an increase of more than three times that of the corresponding period of 1939 in quantity. Woolen yarn imports during the period were only 30,718 kung chin as against 91,036 kung chin for the corresponding period of 1939, representing a decrease of over 60 per cent, because of the consumption of large quantities of woolen yarn in England and Australia for military purposes.

The following table gives the imports of wool and woolen yarn in the period under review:

WOOL IMPORTS

1940	*Quantity (Kung Chin)*	*Value (CNC$)*
October	360,217	817,740
November	75,428	166,069
December	97,455	203,666
1939		
October	105,750	147,266
November	36,938	44,079
December	4,787	4,541

IMPORT OF WOOLEN YARN

1940	*Quantity (Kung Chin)*	*Value (CNC$)*
October	12,250	36,524
November	13,126	17,451
December	5,342	14,284
1939		
October	42,920	79,381
November	36,265	64,919
December	11,851	31,418

Flour Mills

Flour mills suffered seriously owing to lack of raw material in the last quarter of 1940. The Fu Sing and the Fow Fung flour mills, two of the largest Chinese mills in the Settlement, operated only seven and a half days in December, and the operation capacity of the mills was curtailed by 26.2 per cent when compared with the third quarter of the year. The Sin Ta, Hwa Fung, Hsian Sen and Ying Chong flour mills were practically closed in this period, Because of the shortage of supply of flour, however, prices in the local market increased considerably.

Chinese mills turned out around 200,000 bags in October, but in December, total production was only 100,000 bags and the average production of the three months was a little over 130,000 bags a month. Local consumption of flour, however, was 7,500 bags a day or 225,000 bags a month. Total consumption for the three months period was therefore 670,000 bags. As a result, local merchants placed large orders in foreign countries. During the period, 1,500,000 bags of Australian, Canadian and American flour were ordered, of which only 500,000 bags were sent here before the end of 1940 while the re-

maining 1,000,000 bags were due before the end of next month.

The difficulty of the local mills in obtaining wheat was due mainly to strict Japanese restrictions against the export of wheat from occupied areas of Central China by the Japanese authorities. In October, the price of native wheat in Shanghai was $28, in November, it had

"China Grows"

China Fortnightly cartoon, entitled, "Reconstruction Through War," indicates that China's military strength has increased and is stronger than ever at the beginning of 1941.

increased to $29, and by December it was $33 per bag. The price of imported wheat was around $40 per bag, which made it difficult for the local flour mills to import grain. As the price of wheat increased, the price of flour increased also. In October, flour was sold in the local market at $18 a bag, or double the price in January of the same year. It represented an increase of $14 when compared with October, 1939.

Tobacco factories were very busy in the period under review, specially during December. Thirteen Chinese tobacco factories operated a total of 98 cigaret-making machines in the period, of which the Hwa Min Tobacco Factory on Ferry Road was the latest addition to the Chinese mills. In addition to these Chinese factories, nine British and Japanese factories were in operation with a total of 245 machines. Production in October was 60 per cent, in November 100 per cent and in December 110.9 per cent when compared with January, 1940. The monthly average production was around 40,000 cases, of which one-fourth was produced by Chinese factories.

The following tables give the import of tobacco leaves and export of cigarettes in the last quarter of 1940.

TOBACCO LEAF IMPORTS

1940	*Quantity (Kung Chin)*	*Value (CNC$)*
October	928,305	352,151
November	253,592	78,177
December	1,666,389	435,071
1939		
October	1,465,041	362,497
November	962,754	415,099
December	1,035,778	216,694

EXPORT OF CIGARETTES

1940	*Quantity (Kung Chin)*	*Value (CNC$)*
October	111,771	680,445
November	77,060	537,633
December	49,132	345,875
1939		
October	559	161,114
November	942	304,212
December	395	144,975

Because of the increased prices of tobacco leaves and cigarette paper, as well as increased consolidated taxes, the price of cigarettes soared during the period. The price of one brand of cigarettes increased from the minimum of $900 to $1,400 by the end of December, of which the consolidated taxes increased from $400 to $600.

(Continued from Page 9)

control. Without Anglo-Burmese approval how can our troops enter Burma? The British authorities have repeatedly announced that British defenses in Burma and Malaya have been strengthened. Therefore our aid actually is not necessary."

Japanese army press circles were particularly insistent on the rumor last week, and an open threat to carry the war into Burma should Chungking troops enter the British colony was voiced by a spokesman for the Japanese Formosan Army on March 2. The spokesman said that the the action would signify "actual British interference in the Sino-Japanese conflict" which would have "most undesirable consequences for Japan." The spokesman boldly declared that in such an event Japanese forces would "trap and destroy Sino-British forces in Burma, thereby assuring the effective severance of the Burma Route by which British and American support is being extended to the Chungking regime."

The **Hochi Shimbun** stated that Britain and China were "digging their own graves," if reports were true that they have formed a secret military alliance and Chinese troops are in Burma. Entry of Chinese forces in Burma, the **Hochi** said, constitutes an armed threat against Japan's southward advance and also against Thailand. The **Miyako** Shimbun warned the Japanese Government to be prepared for what was coming after settlement of the Thai-Indo-China dispute.

Japanese aircraft again raided Kunming, according to a **Reuter** report from Tokyo, which stated that formations of Japanese aeroplanes attacked the provincial capital on February 26. The Japanese claimed to have bombed warehouses in the western section of Kunming and inflicted heavy damages. Kaotan, 20 kilometers south of Anking, in South Anhwei, and key points along the Chekiang and Fukien coasts also were claimed to have been bombed.

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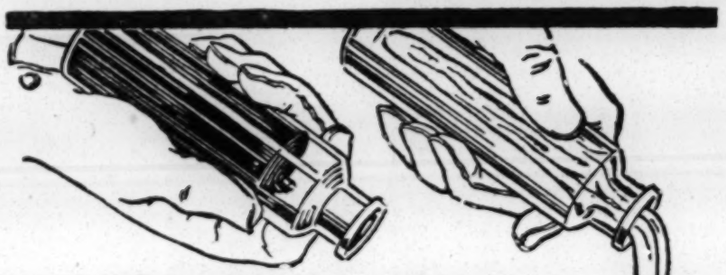

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Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

February 16

The British were negotiating with Chungking for a secret military agreement designed to maintain their influence in the Far East and to obstruct Japan's southward advance, said the Tokyo **Yomiuri**, quoting a dispatch from Bangkok.

Mr. Wendell L. Willkie, Republican Party leader of the United States, indicated that he was considering an inspection tour of China similar to the one he made of Britain, **United Press** reported from Washington.

⁂

February 17

The Japanese Vice-Minister of Foreign Affairs, Mr. Ohashi said that although Japanese interests in the south "constitute a matter of life and death, the use of armed force will entail destruction which will have unfavorable effects also on Japan," revealing that Japan would try peaceful negotiations to the last. Mr. Matsuoka, the Foreign Minister, said—with particular reference to N.E.I.—that Japan did not claim leadership over all the peoples of East Asia, only that she was capable of such leadership.

Negotiations on the United States-Chinese stabilization fund contract were continuing and would be concluded soon, it was officially announced in Washington, according to the **United Press**.

A locomotive and 13 freight cars of a Shanghai-bound freight train from Nanking were mined and derailed at Fu Shih Kwang, between Nanking and Soochow, it was learned by the **Shanghai Evening Post and Mercury**.

⁂

February 18

Declaring he was confident that China would soon drive the Japanese from China and eventually win the present war, Generalissimo Chiang Kai-shek urged Chinese in occupied zones to crush gambling and opium smoking. "We have fought for four year and have inflicted a total of 1,700,000 casualties on the enemy. The cost of the war to the enemy has been a total of 18,000,000,000 yen," said the Generalissimo.

Following many days of fighting, Chinese troops finally reached the south-east and north-east suburbs of Shasi, according to military reports received in Chungking, stated a **Sin Wan Pao** report. Chinese troops operating in South Honan, according to same report, recaptured Min Kong and were claimed to have killed more than 500 Japanese.

Over 1,000 Chinese workers were forced to join Japanese troops in Yangtsepoo and Hongkew districts in Shanghai as communication corps or cooks, the **Chinese-American Daily News** reported.

⁂

February 19

Japan wanted no war against the United States and would do its utmost to avoid one, a high Japanese official told the **United Press**. The Japanese admitted however, that a "grave crisis in Japanese-American relations" might come within the next few weeks.

February 20

Admiral Kichisaburo Nomura, Japanese Ambassador to Washington told the **United Press** that he did not believe there would be any war between Japan and the United States.

A four days Japanese offensive in north Kiangsu resulted in the capture of Hsinghwa, Japanese reports carried by **Domei** claimed.

A national food conference opened in Chungking under the chairmanship of the Vice-Minister of Communications and concurrently Director of the National Food Control Board. Out of a total of 18 provinces, 15 had already sent representatives to attend the conference.

A Chinese air force squadron operating from a base on the south bank of the Yellow River, severely bombed Yunchen, strategic city along the railway in southwest Shansi, according to military reports received in Chungking. One troop train near Yunchen and the Japanese airfield on the outskirts of Yuncheng were also bombed and destroyed by the Chinese planes.

⁂

February 21

The Foreign Minister, Dr. Wang Chung-hui, emphatically denied Japanese reports that Moscow had demanded that the Chinese Government define its attitude toward Chinese Communists.

Alleged to have been sent there to assist the British forces to protect the transportation lines between China and Burma, 2,000 Chinese troops with 21 tanks were reported to have arrived near the Thai-Burma border, stated rumours from Bangkok, quoted by certain German sources.

⁂

February 22

The Government had ordered the 18th Group Army—including the Eighth Route and all other Communist units—to concentrate in a certain zone of operations against the Japanese, the official **Central News Agency** said, according to a **United Press** report from Chungking. The Communist forces had not replied, the Agency said, and as a result, Hunan's and Kwangtung's Provincial Political Councils had sent messages to the Red leaders asking for cooperation.

Japanese in North Kiangsu were claimed to have captured Tungtai, 50 kilometers east of Hsinghwa, **Domei** reported.

Five Kuomintang workers, Messrs. Lu Husan-nan, Chen Chueh-wu, Chang Hsiao-tung, Chu Yu-ching, Chen Wen-pin, who were murdered behind the Japanese lines were honored in a memorial service held in Chungking.

A fleet of 51 Japanese planes carried out extensive raids on various parts of Yunnan province for two days, stated a **Kuo Min** report from Kunming. One of the Japanese raiders was shot down by anti-aircraft guns at Anning, to the west of Kunming.

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(Continued from Page 8)

In the same past two years which saw occupied China's coal exports to Japan and her colonies soared, the supply to Shanghai of coal from Chinese-owned but Japanese-managed mines was practically discontinued. For many months past, the volumes of coal which arrived here from such mines have been insignificant. It is due exclusively to the maintenance as a British property of the Kaiping mines that Shanghai continues to obtain supplies of Chinese British-mined coal. Kailan Mining has made a remarkable effort to supply its Shanghai market, and despite ever increasing difficulties managed to fill all of its local coal contracts.

Kailan's Efforts

Last year, Kailan managed to forward to Shanghai slightly over 1,000,000 tons of coal which covered about 40 percent of total local consumption. Since the industrial depression which started here in May last year, Shanghai's coal consumption substantially decreased by more than 10 percent—local sales of electricity dropped by almost 25 percent—but up to a few weeks ago Kailan maintained the previous level of its Shanghai coal deliveries and thus increased its share in local coal arrivals to about 45 percent. Yet since the outbreak of the European war ever increasing difficulties of supplying Shanghai with coal have been confronting Kailan Mining in the field of shipping facilities.

Kailan Mining had to yield to the British Admiralty a whole series of its own and chartered vessels, and this at low rates of charterage, while replacement bottoms had to be secured at much higher rates. Early this year, Kailan had to turn over to the British naval authorities additional bottom space, and the company may be compelled to abandon in the same way yet additional shipping. In these circumstances, lack of shipping space in months to come may compel Kailan to reduce coal shipments to Shanghai.

Even Kailan had not curtailed coal deliveries here, however, Shanghai in the absence of substantial arrivals of other Chinese coal remains compelled to import from abroad more than half of local requirements of bituminous coal, and all of the anthracites needed here. Last year's local coal imports from foreign countries were as high as 1,979,124 metric tons, and this year's imports might well have to be still higher. Of Shanghai's 1940 coal imports, French Indo-China accounted for 649,281 metric tons, mostly anthracites. Japan and her colonies Korea and Formosa last year delivered to Shanghai 601,322 metric tons of coal reserved, however, for local Japanese interests almost exclusively. Non-Japanese interests here had to rely chiefly on imports of British Indian lump coal which totalled 648,884 tons, or over 50,000 tons in the monthly average. About one-third of these imports of Indian coal were effected on account of the Shanghai Power Company alone.

There is no chance, of course, for any big increase in local coal imports from French Indo-China. The Japanese now have a firm hold on France's best colony, and coal is one of the important supplies they demand from Hanoi on a barter or open credit basis. Chances are that France will have to give in to Japanese demands for coal and will have to yield to Japan part of the anthracite which Hongay used to ship to Shanghai.

Shanghai, may have to increase imports of foreign bituminous coal also in replacement of French Indo-China anthracites. The practically only sources of supply in bituminous coal for Shanghai remains British India. In the case of coal imports from that country it is extremely doubtful whether British India in the future will not require more of her coal for herself and for British Empire purposes, as well as whether shipping difficulties on the Calcutta-Shanghai run will not continue to increase.

In these circumstances, Shanghai Power's precautionary warning to restrict the consumption of electric current to the possible minimum appears comprehensible and justified. Voluntary restrictions of household and office consumption of electricity, of course, will help to save coal—but not too much can be expected from such power thrift since it is industrial sales of electricity which account for almost 80 percent of local power consumption. Any further sharp curtailment of coal deliveries at Shanghai cannot but compel local industries to cut production.

Who's Who in China

Kuo Cheng-lun, army and government official; born at Anshun, Kweichow, 1890; graduated from Tokyo Cadets' School, 1927; Commander of 1st

Kuo Cheng-lun

Division, Nationalist 40th Army, 1928-31; Garrison Commander of Nanking, 1932; Gendarmes Commander; Pacification Commander of the Regional Districts of Hupeh, Hunan, Szechuan and Kweichow Provinces; now, Deputy-Commander of a "certain" war zone, Executive Member of the Central Executive Committee of Kuomintang, Chairman of the Kansu Provincial Government; address: Kansu Provincial Government, Lanchow, Kansu.

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Men and Events

The new Turkish Minister to China, Mr. Eminali Sipahi, arrived in Chungking by airplane last week.

*

The Provincial authorities of Kwangsi have announced complete prohibition of the sale of wine beginning April 1, the purpose being to conserve cereals.

*

Fukien Union University, located at Foochow, celebrated its 25th anniversary on March 2. The Fukien Provincial Government announced at the anniversary celebration a gift of $220,000 to provide scholarships for 40 students.

*

C. T. McClellan, representative in China for Mackay Radio, affiliated with Commercial Pacific Cable Company, departed for the United States last week on leave. Mrs. McClellan and their child departed for the United States several weeks ago.

*

The new Axis Minister of Rumania in Japan will be Major-General G. Bagulesco, former Military, Naval and Air Attache to the Rumanian Legation in Tokyo. Recently he was elected President of the Japan-Rumanian Association in Bucharest. He succeeds M. Georges Paraschivesco.

*

The Japanese announced at Peiping on March 3 that train-ferry service across the Yangtsze River at Nanking-Pukow would shortly be resumed. The train-ferry boats, which were sunk at the time of the Japanese occupation of Nanking in 1937, have been reconstructed, stated the report.

*

Capt. William H. Wilterdink, officer in Charge of the U. S. Navy Purchasing Office in Shanghai, was admitted to the practice of law in the U. S. Court for China last week. He was introduced by C. S. Franklin, Chairman of the American Bar Association and the oath was administered by W. T. Collins, Clerk of the Court.

*

According to **United Press** from London on Feb. 28, officials of the Netherlands Government (in London) said that exports from the Netherlands East Indies would be further tightened, "by the black-listing of numerous American firms suspected of buying Dutch Indian goods for unknown and possibly enemy destination."

*

Sir Archibald Clark Kerr, British Ambassador to China, and Lady Kerr, arrived in Hongkong from Chungking on Feb. 27 and after a short stay there, proceeded to Shanghai. Sir Archibald denied reports, circulated by the Japanese, that Britain had made a military pact with China, or that Chinese troops had been sent to Burma.

*

Madame Sevionovitch Panaouchkine, wife of the Soviet Ambassador to China, arrived in Chungking by airplane from Moscow on March 2. The new Counsellor of the Soviet Embassy was also a passenger on the same airplane. Considerable interest was aroused in Chungking on March 2 when Gen. Chiang Kai-shek received a telegram from Marshal Timoshenko, Commissar of Defense of the U.S.S.R., thanking him for his message of congratulations on the occasion of the 23rd anniversary of the Soviet Red Army. The telegram also commended the Chinese people for their struggle for emancipation and independence and concluded with the declaration, "I sincerely wish success to Chinese resistance. I am confident that, under your leadership, China will soon achieve victory."

There are only 742 private motor cars in Peiping, according to recent report of the municipality. There are 130,000 vehicles in the city, but 87,655 are bicycles, 37,456 are public rickshaws 2,990 private rickshaws, 1,298 taxis, 179 truck, 144 buses and 109 trams.

*

M. Jean Camaly, French consular official in charge at Lungchow, Kwangsi province, has been awarded the Silver Medal of Honor by the Vichy Foreign Ministry. Mr. Camaly was formerly stationed in Shanghai. He was wounded on Jan. 30 when he was struck by a bomb splinter during a Japanese air raid over Lungchow.

*

Lieut. Charles Standish Veriker, only son of Lord Gort, former Commander of British troops in Shanghai, was found dead with his service revolver in his hand at Mullen, Dorset Country, England, on the night of Feb. 28. According to police report he was thought to have committed suicide. Reason for the act was not stated.

*

Prelimary estimates by the Public Works Department of the Shanghai Municipal Council, in their form issued last week by the S.M.C., call for an anticipated expenditure during 1941 of some $10,200,130, an increase of $5,112,860, or 100.5 per cent as compared with the budgetary allotment of $5,087,270 for last year.

*

The U. S. War Department has announced the appointment of three new military attaches in the Far East—Major Clark Jackson, to be stationed at Bangkok; Major Francis Brink at Singapore and Lieut.-Col. Alexander Campbell, at Batavia. The men will proceed to their posts immediately. A later report said that Lieut.-Col. Campbell would be stationed in Manila.

Thomas Henry Suffert, American, long resident in Shanghai, died at the Country Hospital on Friday, Feb. 28, of an abdominal ailment. He was 70 years old. Funeral service was at the Kiaochow Road Chapel on Monday, March 3. Mr. Suffert was a charter member of the American Club and had been connected with the Central Trading Company for many years. He came to Shanghai from San Francisco.

*

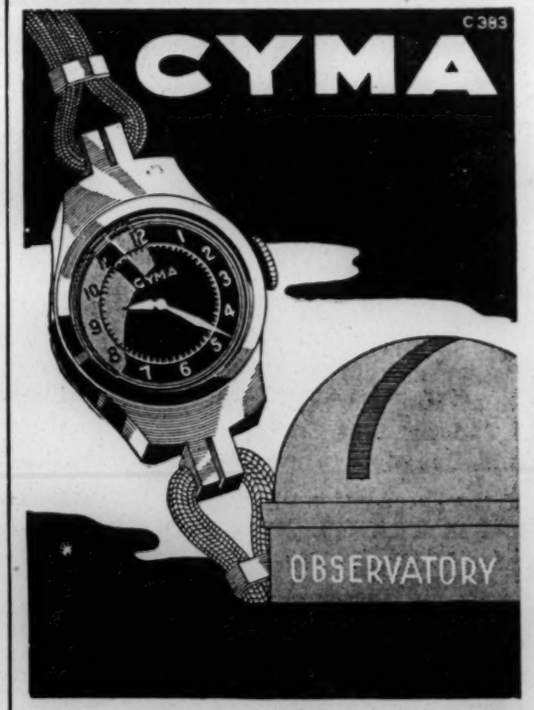
Gen. Ramon Iturbe has been appointed Mexican Military Attache to Japan and China, according to **Transocean** report from Mexico City on Feb. 27. Gen. Iturbe will accompany the new Mexican Minister to Japan, Gen. Jose Louis Amezcua, scheduled to arrive in the Far East shortly. The report did not indicate whether the new Mexican Minister and Military Attache would proceed to Chungking, or remain in Shanghai.

*

The "Big Four" Chinese banks—Bank of China, Bank of Communications, Central Bank and Farmers' Bank of China—will shortly extend credits to border sections of Tibet which are inhabited by the aboriginal tribes of Miaos and Yaos, according to recent announcement from Chungking. Chinese experts who visited the Tibetan border advised that steps be taken to assist the tribesmen in improving agricultural production.

*

The Board of Missions of the Methodist Church, meeting in New York on Feb. 21, voted to order the withdrawal of all missionaries from Japan, Korea and Japanese-controlled territory in China. Dr. Ralph E. Diffendorfer, Executive Secretary for Foreign Missions, said the action was taken in compliance with the urgent advice of the State Department. The missionaries withdrawn will include 70 in Japan, 8 in Korea and some 110 including doctors and nurses in occupied areas in north and central China.



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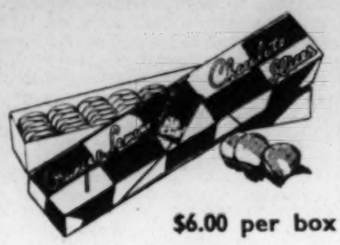

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Dr. Kikusi Kurazawa, Japanese Minister to Portugal, departed from Lisbon on a return visit to Japan on March 2. He is a passenger on the American liner Excalibar.

•

The Soviet authorities on March 1 announced completion of the longest overland-cable for telephone service in the world—from Moscow to Habarovsk and North Saghalin Island in the northern Pacific Ocean.

•

Com. Lewis D. Causey, newly appointed U. S. Naval Attache to the U. S. Legation in Australia, arrived at Sydney on Feb. 25. Com. Marshall Collins, U. S. Naval Observer, stationed at Port Darwin, took over his post on Feb. 11.

•

Wang Ching-wei, head of the Nanking Government, has donated the sum of $2,000 (Chinese National Currency, equivalent to about U.S.$111) for the relief of the poor in Nanking. According to the **Central Press Service**, official Nanking agency, President Wang donated the money "out of his own pocket."

•

The former Dollar Line round-the-world liner, J. C. Filmore, built 34 years ago and tied up for the last eight years in San Francisco harbor, has been placed back in service as a freighter. It is operated by the Panama Steamship Company and is known as the Panamanian. It is of 15,600 tons capacity.

•

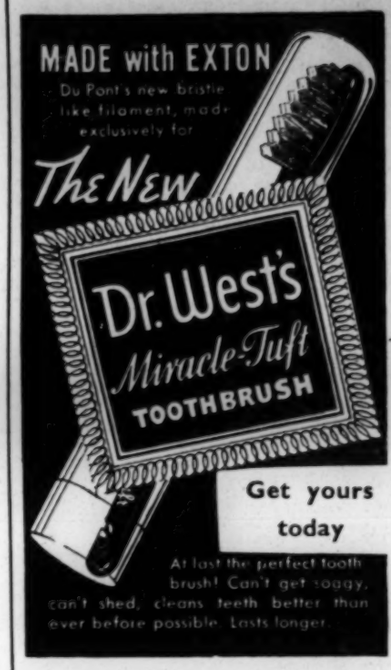
The U. S. Navy Department has taken over the liner, George Washington, 23,788 tons, which will be used in future as a naval transport. The liner was built in Germany and was seized by the U. S. authorities in the World War. It was turned over to the Navy by the Maritime Commission without cost, stated the report.

•

The Rev. Y. Y. Tsu, Assistant Bishop at Hongkong, with special jurisdiction in Kunming and Kweiyang, spoke on "Impressions in Southwest China," at a meeting of the American University Club at the American Club, at luncheon, on Tuesday, Feb. 25. Bishop Tsu's address dealt chiefly with road development and scenic beauties of the southwestern provinces. He is a graduate of St. John's University, New York University, Columbia University and Union Theological Seminary.

•

Dr. John Earl Baker, for many years concerned with relief projects, has resigned from the directorship of the American Red Cross, in order to accept the post of Director of the Burma Road. Dr. Baker's appointment was announced by the National Government on March 3, following announcemnt from the National Red Cross Headquarters in Washington, D. C. that he had tendered his resignation. Dr. Baker will be empowered by Chungking to supervise traffic over the road so as to bring about greater efficiency in operation.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United States customs inspectors at Brooklyn seized US$25,000 worth of opium aboard the Philippine registered ship San Vicente, when the ship docked on Feb. 20. The opium, supposedly from the Portugese port of Macao, was concealed in a cargo of sugar. No arrests were made but the ship was held under heavy penalty bond.

•

According to the **National Herald**, the recently incorporated $70,000,000 oil corporation at Chungking, has sent representatives to the United States to purchase oil drilling and refining machinery. It was claimed that recent oil discoveries would enable China to produce sufficient oil to meet domestic requirements.

•

Gisuke Ayukawa, popularly known as the "Insull" of Manchuria, will in future devote his entire time to the Manchurian Heavy Industries Corporation, according to **Domei**. The report stated he would shortly retire from directorships in numerous Japanese concerns. He recently visited in Germany where he studied Nazi methods of production and labor control.

Reitestu Iwata, former secretary of Asia Development Board, Japanese monopoly enterprise, has been appointed Consul-General at Tsingtao.

•

China National Aviation Corporation, which operates mail and passenger planes between Hongkong and Chungking and between Chungking and Burma and India and various points in West and Southwest China has announced the purchase of four new giant Douglas airliners. According to **Kuomin** the planes have arrived in Chungking and two have been placed in service.

•

Clarence E. Gauss, former Consul-General at Shanghai and now American Minister to Australia, was scheduled to depart from Canberra this week for the United States, traveling by way of New Zealand. Mr. Gauss is expected to remain in Washington for about one week, following which he will return to China to assume his new post of Ambassador to the Chinese National Government at Chungking.

•

Fr. Teilhard de Chardin delivered a lecture at the French Embassy in Peiping, March 2 on the subject, "Future of Man as Seen by a Paleontologist." Basing his views on past developments, Fr. Teilhard said that an immense future is reserved for mankind "provided it succeeds in organizing itself in an atmosphere not of compulsion but of unanimity." Among those present was the French Ambassador Henri Cosme, who has announced his intention of reopening the French Embassy in Peiping and leaving only a small staff in Shangha . According to the Japanese **Domei** service, the Ambasador's action has aroused considerable interest in view of the fact that other world powers station their diplomatic representatives at Shanghai or Chungking. Mrs. Cosme and their daughter are also in Peiping.

The Japanese population in Shanghai numbers 80,076, according to report of the Japanese authorities this week. The report also stated there are 46,215 Chinese emmployed in Japanese cotton mills, according to a survey made on August 31 last year.

•

The German **Transocean** reported on March 3: "The 10,533-ton American steamer, President Hayes has capsized in Cape Cod Canal, but there is no danger of sinking." **Later**—"The President Hayes grounded at Buzzards Bay, Cape Cod, but was refloated in a few hours and continued to New York."

•

Shipping interests at Manila have purchased the U.S. freighter, Wind Rush, 5,568 tons, for US$737,000 and will place the Ship in service between the Philippines and the United States. The Philippine Government has appropriated the sum of US$10,000,000 for the purchase of 10 steamers to used in trade with the U. S. A.

•

In Fresno, California, S. Nagaoka, publisher of a Japanese newspaper, fired his Japanese pressman, Tatsumi Watanabe. Instead of walking out of the department of the printing plant and shop, Watanabe walked into the type upset eight cases of type, containing some 300,000 Japanese ideographs or characters, plus some more thousands of lead slugs. When press day for the little Japanese weekly—**The Times**—arrived, the Japanese community in Fresno received no paper—because Editor Nagaoka, his wife, a reporter and a new pressman were busy picking up and sorting the pied type. Watanabe, when arraigned in court on a charge of malicious mischief, denied he had upset the type cases purposely. He said, "I lean on one—all fall." Watanabe was released on US$800 bail, pending trial.

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New Books of Interest in the Far East

Some Earlier World Wars

ROME AND CHINA. A STUDY OF CORRELATIONS IN HISTORICAL EVENTS. By Frederick J. Teggart. University of California Press, Berkeley, 1939. xvii, 283 pages with map. U.S.$3.00.

Primarily an attempt to explain the barbarian inroads on the Roman Empire of the first century, this book sets forth the thesis that China was the protagonist in the history of the Eurasian continent at that period. A number of historians of ancient and medieval Europe have seen the connection between events in Asia and the great invasions of the fourth and fifth centuries and have identified the Huns with the Hsiung-nu. Professor Teggart, however, deals with an earlier period and offers as proof for his view, not direct evidence but a very striking correlation of historical events.

The barbarian uprisings along the borders of the Roman Empire between 58 B.C. and A.D. 107 fit into a precise pattern in the history of Eurasia. Outbreaks on the lower Danube and the Rhine were always preceded by wars waged by Rome at the eastern extreme of the empire, in Armenia or on the borders of Syria. Further the Roman wars of the East followed wars in Chinese Turkestan and a series of disturbances along the great silk route into Parthia. On the other hand, a number of outbreaks took place during this period along the border of the Roman Empire on the Danube between Vienna and Budapest. These were always preceded by wars carried on by the Chinese against the Hsiung-nu in the eastern T'ien Shan.

The author believes that this mass of statistical evidence shows a connection between China and Europe which escapes the eye of the "national" historian who only sees evidence directly connected with the subject of his study. What is the explanation of this precise pattern of events extending across Eurasia? The disturbances having their origin on the western limit of the Chinese Empire had the effect of interrupting trade, which in turn began a succession of marauding expeditions for booty, extending across the continent from East to West. And whenever peaceful conditions were restored which allowed the resumption of trade, these expeditions ceased.

The greater portion of the book is devoted to laborious presentation of the wars and disturbances, the statistical evidence on which the author's thesis is based; and the author's search of the records has been exhaustive. The reader, however, would like to see more and different confirming evidence before accepting the author's thesis completely, and may well question if the events narrated are any more than one of several causes at work which produced the barbarian invasions of Rome. The method of Professor Teggart certainly leads to a fresh view of this phase of the Empire's history, and as he suggests, this method of correlating events may be applied with fruitful results to other periods of the history of the Eurasian continent prior to the modern era.

He further suggests that the use of this method may foster a more intelligent conduct of human affairs. As case in point he suggests the experience of Rome. What Roman emperor was aware that his wars in the East, leading to interruption of peaceful commerce in the Black Sea region, transmitted impulses which produced barbarian outbreaks along the lower Danube and Rhine rivers?

B.D.C.

Chicago Broadcasts

THE UNIVERSITY OF CHICAGO ROUND TABLE. Published weekly in pamphlet form by the University of Chicago, Illinois. 10 cents (U.S.) a copy; five copies 25 cents; half-year subscription, 26 issues, one dollar.

The "Round Table" pamphlets are published weekly from the transcripts of the now widely known broadcast of the University of Chicago Round Table. These broadcasts began nine years ago, in 1931, and were first heard only from the single Chicago station WMAQ when three University of Chicago professors discussed the report of the Wickersham Commission of Prohibition. Now this broadcast, which claims to be the oldest educational program continuously on the air, also the first regular series produced by a university from its campus, produced also without a script, is sent each week over 85 stations of the National Broadcasting Company to "the homes of five million radio listeners." The operating expenses are paid by the University of Chicago which in consequence has complete freedom in choosing the subjects and speakers.

The topics discussed, and published in the pamphlets which average twenty five to thirty pages, all have a timely interest. The titles for example for the past year have included the following: Blitzkrieg, Economic Union for the Americas, Civil Liberties and the Fifth Column, M-Day and America, If Germany Wins, The Jews, Third Term, Is Our War News Accurate? Out of 72 listed tiltes exactly half deal with political, half with economic questions; again, about half deal with domestic questions, half with foreign relations.

The merit of the broadcasts, hence of the pamphlets, lies in the fact that they are not debates but disscusions, the hearer and reader being left to judge for himself the merits of points brought out. Sometimes the note of impartiality achieved suggested a kind of divine indifference which is a fault of many American university professors. The participants freely challenge one another's ideas however. When one hears dictatorships compared favorably with the democracies, or democracies unfavorably with dictatorships, it is worth remarking that in dictatorships people are told what to think, and that in the University of Chicago broadcasts people are invited at every point to think for themselves.

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Many Appointments and Transfers at Chungking

Reports through **Kuomin** from Chungking during the week listed the following appointments and transfers of officials: Bismark Mu Wen-fu, formerly member of the Sinkiang Construction Committee, connected with the Executive Yuan, has been appointed a member of the Cultural Committee of the Board of Publicity of the Central Executive Committee. Gen. Ho Kuo-kwang assumed office as Commander of National Gendarmerie Headquarters and Deputy Commander-in-Chief of the Chungking Garrison forces; Gen. Chang Fang appointed Deputy Commander of National Gendarmerie HQ and Dean of Gendarmerie Institute; Sung Yuan appointed Counsellor of Finance Ministry; Kan Nai-kwang, Deputy Secretary-General of Central Executive Committee, has taken over work of Secretary-General of Standing Committee during illness of Yeh Chu-tsang, who is suffering from pleurisy; Wai Cheng-keng appointed Deputy Director of National Health Experimental Bureau; Hsu Tien-sheng relieved of duies on Overseas Affairs Commission; Judge Li Fa assumes office as President of Supreme Court, oath administered by Gen. Chiang Kai-shek and seal of office presented President Lin Sen; Li Chi-tang appointed to Overseas Affairs Committee in place of Hsu Tien-shen, resigned; Chen Shun-pai, district magistrate at Hangchow, promoted and commended for remarkable action in defending national territory during campaign of resistence to Japanese aggression; Chung I-sui appointed peace preservation commander for 4th area of Kansu; Li Pei-tien appointed Director of Yunnan Food Control Administration; Hung Fang appointed Chief Secretary of Liaoning province.

Plan Adventure

Mr. and Mrs. J. C. Sever of San Francisco, are in Shanghai, preparing their 46-foot ketch, Cynjo, for a trip across the Pacific Ocean. The boat was built in Hongkong last year, weighs 25 tons and carries 1,100 square feet of sail. Its draft is 7-feet and has a beam of 12 feet and carries two hollow masts 48 and 58 feet respectively. In addition the crew will include E. L. Vanaustrom, T. H. Bowers, George H. Ewart, Michael Bell. Mr. Sever was formerly an officer with the American President Lines. He hoped to be able to reach San Francisco, via Honolulu, in about three months. The Severs and Mrs. Severs' brother, Morgan Pettison, departed from Hongkong last year, but had difficulties in Formosa when they were accused of spying on Japanese fortified zones. Their boat was seriously damaged by the Japanese authorities, necessitating the repairs here.

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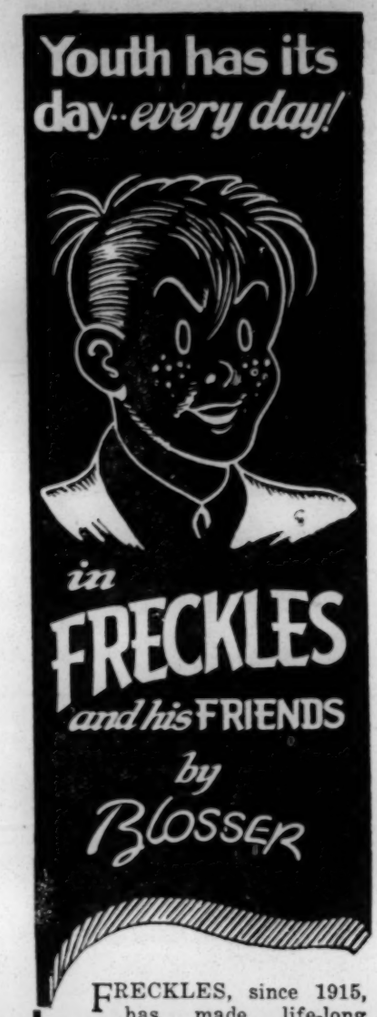

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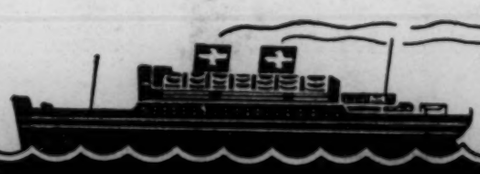

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